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# ***CENTRAL EURASIA***

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# FBIS Report: Central Eurasia

FBIS-USR-92-154

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## Report on Tokyo Conference on Aid to CIS

### Prospects for Aid

934A0194A Moscow NEZAVISIMAYA GAZETA  
in Russian 28 Oct 92 p 4

[Report by Vasilii Golovnin, Tokyo: "Tokyo Announces the Start of Aid to the 'New Independent States;' Economic Support to the Former USSR as a Whole Will Be Terminated"]

[Text] The international conference on "aid to the new independent states" (NNG) scheduled to take place in the Japanese capital on 29-30 October, will draw yet another symbolic line under the existence of the Soviet Union. After the Tokyo meeting, questions of granting aid will be discussed and resolved individually for each of the current independent republics which, during the last meeting of the "seven" in Munich began to be referred to not as the "former Soviet Union" or the "CIS," but with a term deemed more convenient because of its looseness, "the new independent states."

In the presence of representatives of nearly 70 countries and 158 international organizations, the result of aid activities will be summed up in the Japanese capital. Such aid was provided in five areas: food supplies, medicines, housing, transportation, and technological assistance.

Instead of them, as reported by Taro Ishibashi, general secretary of the forthcoming conference, separate working groups will be created for aid to each of the republics of the former USSR with the exception of the Baltic republics, naturally, which, in the past as well, did not wish to be associated even in hindsight to the Soviet Union. The composition of these autonomous organizations remains unclear. Their rights and structures have not been clearly defined. What makes the confusion even worse is the special place of Russia which, judging by all indications, is unwilling for problems aid to it be totally decided and controlled by some kind of omnipotent "tutorship council," as is done in relations between the West and the most underdeveloped countries in the Third World. In order somewhat to sweeten the pill and help Moscow not to lose face, it has been decided, on a preliminary basis, to set up a group to deal with the Russian Federation, in charge "exclusively" of problems of technological cooperation rather than overall aid, although this hardly changes the essentials.

The other republics of the former USSR have not proved to be so fastidious. As was reported to the preparatory committee for the conference, standard "aid groups" will be created for Kazakhstan, Belarus, and six other "new independent states," based on the model of the international organizations which are in charge of, let us say, Bangladesh. In a discussion with me, the forum's general secretary described Ukraine as a "problem child." It had not informed the organizers of the Tokyo meeting about anything concerning its plans or expectations. Yet Taro Ishibashi had indicated that the amount

of aid and its nature will be determined henceforth by the donor countries strictly in accordance with the pace of the real reforms carried out by the individual NNG. According to him, there would be no question of creating active "aid groups" for Georgia or Tadzhikistan until their internal conflicts have been settled.

At the preliminary working sessions, on the eve of the conference, it was noted that the situation concerning food supplies and medicines for this winter on the territory of the former USSR will be "even worse than last year." For example, a report by the food and agricultural organization of the United Nations drafted for the Tokyo forum indicates that the production of grain in 12 republics of the former USSR dropped by 14 percent in 1992. An extremely grave situation has developed with medical drugs, including vaccines against infectious diseases, antibiotics, and blood substitutes. Under such circumstances, it is expected, the Tokyo conference will once again appeal to the world community to increase humanitarian aid to the poor heirs of the USSR, an appeal which, alas, is meeting with increasing less response abroad.

### Interview with Shokhin

934A0194B Moscow TRUD in Russian 3 Nov 92 p 3

[Interview with Aleksandr Shokhin, vice prime minister and head of the Russian delegation, by Sergey Bunin, TRUD Tokyo correspondent: "Aid Must Not Be Politicized"]

[Text] The third international conference on aid to CIS countries, which ended in Tokyo, caused no sensations. It finally managed to formulate a mechanism for the coordination of aid to the former republics of the USSR. As was promised, Japan and the United States announced that they will provide additional humanitarian aid amounting to \$512 million in food and medicines. An understanding was also reached to the effect that the center of gravity henceforth would be shifted to technical-consultation aid which will be provided in accordance with the specific features and needs of each of the former republics, on an individual basis.

At our request, Vice Prime Minister Aleksandr Shokhin, head of the Russian delegation, commented on the results of the meeting, as follows:

Real support of the reform is linked above all to normalizing trade and economic relations with Russia and the other members of the CIS, and to adopting a realistic approach to problems of the foreign debt and financing. The program for technical assistance, even estimated in hundreds of millions of dollars, is nonetheless no more than a question of millions whereas we are facing a problem reaching into the tens of billions of dollars, if we take into consideration the foreign debt and the need to reschedule it. This view met with understanding by the participants in the meeting. However, the real results will be achieved only after we are able to reach an

agreement with the International Monetary Fund and after we obtain the actual loans from the International Bank.

We made use of this opportunity to re-emphasize that politicizing conditions for aid can only hinder the reform. Yet such conditions were numerous: withdrawal of the troops from the Baltic area, ending the sale of submarines to Iran, providing no aid to Cuba whatsoever, and so on. In this case, let us note that, as in the past, there is no particular flow of aid, and conditions are being set in exchange for very modest offers. For example, the American Freedom Support Act presumes aid of several hundred million dollars whereas losses resulting from ending military-technical cooperation with Iran greatly exceed what we receive in technical and humanitarian aid.

The same applies to the withdrawal of troops. The scale of aid cannot be compared to the amount of problems which this will cause. We must think above all of the national interests. In frequent cases we obtain nothing in exchange for concessions.

[Bunin] What were the results of the economic agreements with Japan?

[Shokhin] Let us give proper credit to the wisdom of the Japanese side: economic cooperation is taking place as though nothing has happened. Furthermore, Japan has announced a packet of aid of \$100 million and, with the help of other additional steps, is emphasizing its interest in technical cooperation. It is also a question of loans to the gas industry of \$700 million and crediting our debt of \$360 million, as well as intensifying cooperation in Sakhalin in petroleum and gas projects in which Japanese companies are very interested, as well as cooperation in outer space.

It looks as though the Japanese government circles have realized that no forms of pressure, even slight, would meet with understanding in Russia. Aid based on concessions will yield nothing. Understandably, Tokyo is interested above all in the solution of political problems. However, we too are interested in seeing to it that the resolution of such problems does not harm the national interests. Therefore, we should prepare for extensive discussions and find mutually acceptable solutions.

#### Foreign Intelligence Historian Interviewed

934C0293A Moscow PRAVDA in Russian 16 Oct 92 p 6

[Interview with Retired Colonel Oleg Tsarev, consultant on the history of intelligence for Russia's Foreign Intelligence Service press bureau, by Sergey Svistunov, PRAVDA diplomatic commentator; place and date not given: "Intelligence Service on the 'Threshold of Openness'"]

[Text] "Glasnost breeds strange partnerships. One of the most surprising ones is the alliance between the almost destitute officials of the Russian archives and newspaper

and book publishers in the West. Emotions were running high recently with respect to two files from the archives, both of which were rooted in Russia's frenetic desire to make some money on the disclosure of sensational historic materials that have been rotting in their safes." This recently appeared in THE ECONOMIST, an influential English weekly.

THE ECONOMIST explained that the biggest excitement was caused by some previously unknown pages from the diary of Joseph Goebbels (PRAVDA gave the details of this scandalous swindle in its 8 August issue). The other debate concerned our foreign intelligence service. The Random House publishing house of New York has bought the exclusive rights on some archive documents which could help uncover many of the secrets of the Russian intelligence service. The publishers paid a surprisingly modest sum for the pleasure, on top of a certain percentage of the profits. How much exactly? They prefer not to talk about it, says the English magazine.

Much speculation has been going on in both the foreign and the Russian print media concerning the Random House contract. Therefore, we decided to get our information from the horse's mouth, from the man who co-authored this truly unique project together with the English historian John Costello. This project allows us to make the bold statement that Russia is also "ahead of the whole planet" in the degree of glasnost when it concerns such delicate matters as foreign intelligence.

Are we, however, crossing over the "threshold of openness" beyond which any intelligence ceases to exist as such, and becomes an information service? This issue became the subject of our conversation with Retired Colonel Oleg Tsarev, consultant on the history of intelligence for Russia's Foreign Intelligence Service press bureau.

[Svistunov] To begin with, tell us something about yourself.

[Tsarev] I was born in Leningrad in 1947. I studied at the MGIMO [Moscow State Institute of International Relations]. I served in intelligence for over 20 years. I used a journalistic "cover." From 1975 through 1980, I was SOTSIALISTICHESKAYA INDUSTRIYA's correspondent in London. I spent a little over one year with PRAVDA, and after that I went to IZVESTIYA. Since November 1991, I have been at my present job.

[Svistunov] Are we going to the other extreme now? We used to have hordes of "far and near country experts" working as international journalists and in the Ministry of Foreign Affairs, but now any such covers are being rejected. Is this the way to request a visa to the Netherlands, for instance: We are sending Major Ivanov to your country to deal in technological espionage. Please provide all possible assistance....

[Tsarev] All this is quite strange, of course. An agent cannot work without a cover, and journalism is ideally

suited for the purpose. The English were pioneers in this area in 1930's. I would say that we learned from them. Now it is practiced by every intelligence service in the world. It is even more applicable to the Ministry of Foreign Affairs: Diplomatic and trade missions of all countries have been "legalizing" their special service agents since time immemorial.

[Svistunov] How did you get involved in this Random House book publishing project?

[Tsarev] Here is the prelude to the story. Riding the glasnost wave, our foreign intelligence service also decided that it might be sensible to publish some of the historically valuable materials that were buried in our archives. I offered to write a newspaper article about the Hess affair. It created a big stir in Great Britain.

Later, I wrote a long story about Aleksandr Orlov, who was our man in Spain and who, together with his family, went to Canada via France in 1938; later he moved to the United States, where he lay low for 15 years without being discovered, until he wrote the book "The Secret History of Stalin's Crimes," which became a bestseller.

John Costello started corresponding with me. He is a former TV producer, a journalist who has very successfully changed into a historian.

When I decided to write a book about Orlov, I shared my plans with Costello. He got very excited: Let us write it together, I will describe Orlov's saga the way it is in FBI files, and you do it from the archive materials of your intelligence. This having no precedent in the past, we requested permission from Kryuchkov. Permission was granted. Kryuchkov, incidentally, viewed glasnost in the KGB work quite positively—within certain limits, of course. He often met with journalists himself.

Last year, Costello and I published the "Hess affair" book, and we announced that we were working on the Orlov book; we went to the United States to collect the material for it.

Many American publishers showed an interest in our work. We chose Crown Publishers, a branch of Random House, one of the largest publishers in America.

[Svistunov] It is customary not to ask about the commercial side of a contract. However, both the Russian and the foreign print media emphasized this particular side of the issue, and I have to ask about it, too.

[Tsarev] Excuse me, but I do not have the right to give you the exact figure. The American side asked me not to disclose it. But I must assure you that we do not intend to charge any fee for the access to the intelligence service archives. The authors of the Orlov book, John Costello and yours truly will receive royalties that are quite normal for this kind of work.

As for the other agreement with Random House, concerning a series of books, that contract was signed by an

American publishing firm and the Association of Russian Foreign Intelligence Veterans. The association will receive some of the profits from the sale of the book.

I would like to place special emphasis on the fact that our foreign intelligence service preserves full copyright ownership. Random House has acquired only the right to publish our books in other countries, and not in all of them, at that. Not on the CIS territory, definitely.

[Svistunov] What is your opinion of the information leaks that are taking place everywhere around us now?

[Tsarev] I am horrified by the fact that Western journalists gained access to the telegrams of our ambassador in London, concerning his negotiations with the English political party leaders. As if it were not enough that confidential diplomatic letters and ciphers are being disclosed. What foreign state or what political leader will dare to conduct any confidential talks with Russian diplomats, when there is no guarantee that the subject of the talks will not be made public knowledge some two or three years, if not months, later?

A certain order should be brought into the use of the archives also. It is understandable that our country is at a turning point in its historic development. But we are facing a situation where everything is allowed, even things that should not be allowed by any means. Our archives contain a great deal of information that bears on the vital interests of different countries and of certain individuals.

[Svistunov] Oleg Ivanovich, the Western press thinks that the Russian foreign intelligence service has succumbed too deeply to the "glasnost virus" also. Is this giving headaches to your colleagues, if I may say so, from the CIA, from the British MI-5, the Israeli Mossad, and others?

[Tsarev] Well, there is something in it. It is true that the Americans are a lot more open in such matters than the English, who are simply obsessed with secrecy. You know, the last time that I wanted to go to England for the presentation of Costello's book "Ten Days That Saved the World," I was denied a visa.

[Svistunov] So you are persona non grata in London now?

[Tsarev] That is hard to say. This has caused a lot of noise. Costello declared a protest, and other English historians supported him. Questions were asked in the parliament.

[Svistunov] According to the newspapers, you are going to publish 11 books with Crown within the next 10 years—five volumes of collected archive documents and six books on specific operations conducted by the Soviet intelligence service.

[Tsarev] No, we did not talk about collections of archive documents. As for books, the first one, about Aleksandr Orlov, is already finished; it is being edited. Its working



English title is "Dangerous Illusions." It will come out soon. After this one, Costello and I will probably write about the "Cambridge group" of agents in Great Britain. The third subject is the Caribbean missile crisis, for which we already have an author in Russia. After that comes the life of Trotsky, up to his last days in Mexico, our intelligence operations in the United States, the confrontation of intelligence services in Berlin.

As a rule, every book is written by two authors, one from our country and one from abroad. Apart from considerations of secrecy and the necessity to go deep into foreign archives, this might be explained by purely literary purposes. Books should be written somewhat differently for foreign readers, English-speaking ones especially so. In a different style, in a different tempo.

[Svistunov] Does this mean that your books are mostly oriented to Western consumers?

[Tsarev] Yes and no. The point is that no wide circle of readers has yet formed in our country that would be seriously interested in the history of intelligence. Mystery books are a different matter. They are popular reading here.

Besides, the "Cambridge group" story transcends purely professional limits, to a large degree. It remains an enigma still for millions of Englishmen why the best sons of Britain, people of its elite caste, and in such numbers, at that, became Communists and started to collaborate with the Soviet intelligence service?

But at the same time I want to caution you against the false impression that our books will be published only in North America and in England. That is not true: We have already reached an agreement with Germany about their publication, and we are talking to the Japanese. We also have an agreement with some Russian publishers. In other words, our lovers of the espionage history genre will not be disappointed.

[Svistunov] It seems they will also be very interested in the "Cambridge group," whose members in reality got themselves recruited out of ideological considerations, whatever nonsense may be said now about their greediness and corruption. The evolution of their views after they left England and came to live in the USSR may be of special interest. They ran into our reality, which they must have idealized to a greater or lesser degree.

[Tsarev] You know, I first met Philby in 1974. I also met some others, though not each of them. If he gives his consent, you may talk to Blake yourself. Yes, they got an opportunity to see with their own eyes what socialist democracy meant and what real democracy was. But that did not detract from their faith in both socialism and communism.

True, the practice of building socialism in the USSR proved incorrect in many ways. You can also find endless arguments about Lenin, both bad and good. It is hard to forecast history that never happened. But it is a

fact that NEP [New Economic Policy] was his baby. But Stalin choked NEP to death.

It would be naive to think that we will be able to bury the socialist ideals. The human race always tried to achieve social justice. Early Christianity, before it got perverted by powerful hierarchal structures, advocated the same socialism. Just look into "The Life of Jesus" by Renan. Incidentally, a French copy of this book stands on a shelf in Lenin's study in the Kremlin.

[Svistunov] Going back to the issue of an acceptable "threshold of openness": You are saying that the main criterion is not to damage any interests of the state or of certain individuals. Not to uncover, even unintentionally, our agents and informers. Meanwhile, just one press conference you and Costello gave jointly in Washington gave rise to a tidal wave of various speculations. Especially where it concerned the agents under the code names of "Scott" and "Moliere."

[Tsarev] But it is the British who are trying to solve the puzzle and who are naming names, not we. So this is on their conscience. Though John really said a bit too much.

[Svistunov] Some of the Western countries, such as the United States, the Netherlands, Belgium, and especially Germany, are raising the following campaign: As we are no longer enemies, let the Russians fold their spying activities in our countries. Otherwise, they even threaten to suspend their humanitarian aid.

[Tsarev] Any such demands are illegitimate. We, for instance, have not yet noticed any decrease in the intelligence activity that the West conducts against us. On the contrary, the United States is allocating a lot more money for information gathering.

Besides, any intelligence service that supplies credible information to its country's leadership serves at the same time as a measuring tool of confidence. Anyone would rightfully wonder: Are you telling me the truth during our official talks, what are you thinking, what plans are you nurturing in the quiet of your office? The intelligence service obtains the information on what is "confidential in the quiet of the office" and confirms, let us say, that the intentions of your opposite number are sincere; thus, it makes an objective contribution to prolonged and strengthened friendly contacts.

### Highlights of CIS Railroad Transport Council Meeting

934A0232A Moscow GUDOK in Russian 29 Oct 92  
pp 1-2

[Report by N. Davydov: "Realism Prevailed At the Meeting in Minsk"]

[Text] On the results of the fifth meeting of the Railroad Transport Council of Commonwealth members

Initially, the Minsk agenda included 19 points. Adding the suggestions of the delegations, the agenda could have

become almost twice as long. After a short discussion, however, G.M. Fadeyev, the Russian Federation minister of railways, who chaired the council, announced that only one additional item would be included: an appeal to the heads of the governments of the Republics of Azerbaijan, Armenia, and Georgia on restoring railroad traffic in a number of sectors along the Transcaucasian main line.

As was to be expected, most debates dealt had to do with the array of problems related to the division and joint utilization of the fleets of freight cars and containers. A number of agreements had to be reached on essential features to prevent, in the words of S.I. Shkapich, the chief of the Belarus Railroad, "freight car extremism." In other words, the division of the common property should be such as to preserve the possibility of its joint utilization and not totally undermine the economy of all members of the Commonwealth.

The main argument in dividing the railroad cars was their actual average-annual utilization on the tracks. Virtually no one objected to this. However, the following view was expressed: Should we divide the actually existing fleet or the fleet according to the inventory? Some suggested that before the division the entire car fleet be counted. Others insisted that this would lead to nothing but waste of time.

Above all, everyone agreed that the solution of this problem can no longer be delayed, above all because of an existing inclination to write off as many defective cars as possible. This is causing tremendous economic harm and the percentage of defective cars is increasing. As L.L. Zheleznyak, the head of the State Railroad Transport Administration of Ukraine, emphasized, the repair bases are virtually idle, for everyone is waiting for the division. "Therefore, we must carry out this division to save the car fleet," he concluded.

All indications were that a number of participants in the meeting shared such feelings. The representative of the Lithuanian Railroad Administration called for bringing order faster not only in the area of ownership but also of joint exploitation. His Latvian colleague even called for establishing an intergovernmental joint-stock company for rolling stock repairs, "... perhaps even for the sole purpose of reducing empty runs for repair purposes."

Incidentally, once again views diverged on the Agreement on the Preparations for and Carrying Out of the Redeployment and Improvement of the Fleet Car. B.D. Nikiforov, deputy chairman of the council's directorate, in supporting the need for a survey of the car fleet, emphasized that this was needed in order to determine what is being actually divided now, and what is the condition of that divided fleet. It would take the Main Computer Center of the Russian Ministry of Railways to submit numbered lists of all freight cars on the basis of which the railroad administrations of the members of the Commonwealth would be able quickly to establish the real condition of the rolling stock in their possession. In

his view, such control based on the numbers of transferred cars would make it possible, among others, more accurately to determine their utilization, acquire a better knowledge of what must be improved, and so on.

After a rather lengthy discussion of all the problems related to the division and the joint utilization of the car fleet, editors and experts were asked to make the proper changes in the predrafted documents.

The result was a confirmation that the draft agreement on the division of the inventory fleets of freight cars and containers by 3 November should be coordinated with the competent authorities of each state and, taking their views into consideration, submitted for signing by the heads of state. At the same time, it was necessary to coordinate the tables showing the quantitative division of the fleet, which were not amended at the conference. However, in connection with the request of the Armenian Railroad Administration for additional cars, a decision was made at the meeting to meet that request and, after the division of the fleet according to the numbers, to grant Armenia ownership of 221 cars, in numbers proportional to the share of each country. An agreement was also reached to assist the Central Asian and the Turkmen railroads in the exchange of cars based on specialized functions.

Since there were no objections to the fact that the division of the fleet should be consistent with its efficient further utilization, i.e., the task of reliably ensuring haulage on the scale of the CIS countries, a plan was approved for taking urgent steps to implement the principles of the joint utilization of the cars and a respective agreement was adopted. It is true that the drafting group reflected in the minutes of the meeting a number of features included in the statements of the representatives of the Baltic countries and Armenia. In particular, they believe that the planned types of car repairs and updating should be the concern of each individual state regardless of ownership. The extent and type of repairs should be determined on the basis of the share of car ownership, followed by centralized settlement of accounts among the individual states for overfulfilling or underfulfilling the volume of repair operations per type of car.

Another task, to be implemented by 1 January 1993, was to supply the stations in charge of delivering the cars for intergovernmental use with computer and communications facilities. Within the same period of time the PTKB [expansion unknown] of the ASUZhT [Automated Railroad Transport Control System] would develop the necessary software support. All of these are necessary prerequisites for efficient exploitation.

Without any particular arguments, the participants in the session approved the basic principles for computing the technical indicators for the utilization of the cars and controlling the fleet in the course of intergovernmental operations, also to be enacted as of 1 January 1993. To this effect, with the help of railroad administration

experts, the council's directorate will draft the necessary instructions for the practical implementation of the basic principles governing the work indicators of the car fleet under the new conditions.

Finally, the method for settling accounts for the utilization of freight cars was accepted as a base. The VNIIZhT [All-Union Scientific Research Railroad Transport Institute], the Main Computer Center, and the PTKB ASUZhT were instructed, in accordance with the discussion, to complete their work on the method and to submit it for consideration at the following council session.

As V.M. Zheltoukhov, chief of the Central Asian Railroad, noted perfectly accurately, only loaded cars should be sent to repair facilities, for otherwise it would be necessary to pay for empty runs. Justifiable remarks were also expressed on the need to draw up a specific table which would take into consideration the nature of the freight which is hauled and consider issues of material liability and conditions governing reciprocal account settling.

However, all of these nuances did not detract from the main objective—the aspiration not to turn the division of the car fleet into a subsequent breakdown of the activities of all administrations. In other words, the cars should be divided in such a way as to ensure reliable transport within the Commonwealth. All those present were perfectly aware of the fact that if a car has no specific owner it quickly breaks down, which was, strictly speaking, what occurred by the end of last year and this year: The inventory fleet was reduced by more than five percent and the number of defective cars doubled.

The agreements concluded in Minsk will help, in addition to establishing common principles for the organization of the joint utilization of the car fleet, to move on to the establishment of efficient managing authorities, which would concretize the most important technological aspects and joint activities. Wherever no repair enterprises are available, corresponding agreements will have to be reached with the neighbors, in order to ensure the updating of the individually owned cars. For example, the managers of the Turkmen main railroad line have already established together with the Moscow Railroad Car Repair Plant imeni Voytovich the joint Turkmen-Voyt Enterprise. The railroad administration has undertaken to finance it and the plant will supply modern technology to be used by the Ashgabat Depot, the plant in Kyzylarvat, and others.

Naturally, such an approach is dictated by the increased economic responsibility of the railroad administrations for operating the cars. Without high technical standards maintained by the entire car fleet it would be impossible to ensure rhythmical and efficient haulage throughout the Commonwealth.

Only minor editorial remarks were added to the two following items of the agenda: on the forms of operative

and statistical information submitted by the railroad administrations, and on standardizing documents which regulate relations between the railroads and the senders and receivers of freight, and other transport systems.

"That is why," said V.N. Butko, council directorate chairman, in expressing the jointly held view, "it has been deemed expedient to retain on the tracks of the Commonwealth, unified railroad statutes, regulations governing freight transport, and technical stipulations for freight loading and securing, as well as legal documents which regulate the procedure for the conduct of commercial operations (with the latest amendments and supplements), as well as an instruction on conditions governing the haulage of individual types of freight in intergovernmental haulage."

Should it become necessary to supplement or amend such legal documents, this could be done on the initiative of the railroad transport administrative authorities of CIS countries, or else on the basis of joint decisions by the governments of the CIS countries, or else again by the Railroad Transport Council. Within the individual states, the railroad administrations have the right to use their own legal freight hauling regulations.

As far as international transports are concerned, it was decided to retain the already existing procedure based on concluded intergovernmental or interdepartmental agreements to which the USSR or the USSR Ministry of Railways was a party. The railroad administrations not participating in the OSZhD [Organization for Cooperation Among Railroads] could delegate their rights to any administration party to the agreement.

An instruction on the procedure for the distribution of the foreign currency revenue from international, passenger, and freight transports, among the railroads in the second half of this year was approved without any particular problems. The approach to the formulation of a uniform tariff policy in transit transport of freight on the tracks of the Commonwealth proved constructive. It was agreed that the tariff policy and the rate of fees on the territory of the Commonwealth and in the republics of Georgia, Latvia, Lithuania, and Estonia, would be set by the freight carriers themselves. In order to coordinate such matters and draw up recommendations for establishing the rate levels for the various directions (taking into consideration competition provided by other types of transport), it was decided that no less than once annually a tariff conference of carriers will be held. Also emphasized was the expediency of concluding regional tariff agreements among the railroad administrations on whose tracks the transit shipments are hauled.

The agreement among the representatives of the countries within the Commonwealth and their colleagues from Georgia, Latvia, Lithuania, and Estonia on the main principles for preserving and developing the common information area should be singled out as the most important of the other issues discussed at the



council meeting. This will contribute to the better organization of the management of transport processes and to upgrading the quality of passenger services. It was resolved that at the very next meeting of the council, the work plan for the creation of an automated control system would be considered, which would be of inter-governmental significance, as well as the procedure for financing such activities.

Under present circumstances, payment for the transportation of imported freight from maritime ports and border stations is becoming increasingly important. In order to prevent difficulties in their work and avoid breakdown of deliveries of raw materials to enterprises and consumer goods, prepayments will be required for the hauling of export and import loads. In this case, however, computer programs will be necessary for the distribution of revenue and the creation of shipping programs at border and port stations. For that reason it was resolved that the Soyuzvneshttrans Concern and other shipping organizations would ask the respective state authorities to provide the necessary credit and, by 1 December of this year, to conclude an agreement on additional prepayments based on rail tariffs.

Incidentally, the Ukrainian Railroad Administration has already organized the Intertrans Transport-Shipping Company, and it was suggested to all railroad administrations in the Commonwealth to inform shippers of the need to have a contract with it. Therefore, although the old procedure of paying for transit shipments and distributing the income from such shipments would be retained, railroad customers must be prepared for eventually amending it.

The importance of this latest new development will become understandable if we remember the likelihood that in the future the sovereign states will have their own currency. This will make reciprocal payments much more difficult. Therefore, in reforming the operational system, it is also necessary to formulate the financial system which is the current cause of most problems,

including in exports-imports, for presently such shipments are not being coordinated. In order to improve matters, commercial structures are being established, one of which is the Byelarus Belintertrans. The unification of such structures will make their interaction possible.

One of the issues discussed at the council's meeting was that of the newspaper GUDOK which, on the eve of its 75th anniversary, is having a difficult time. Due to the headlong increase in the cost of newsprint, printing services, and newspaper deliveries to the readers, and the consequent increase in subscription prices, subscription problems arise. The situation is further worsened by the poor system of delivering the newspaper to the readers. Furthermore, because of the division of the tracks among the CIS countries obviously subscriptions in the republics of the former Union will decline. In other words, the newspaper's income from subscriptions and retail sales will not meet expenditures.

So far, the newspaper has been supported only by the Russian Ministry of Railways, although it continues to cover railroad living and working conditions and the ways of solving problems by railroad personnel of all presently independent states. That is precisely why the question was raised at the meeting of whether GUDOK should be retained to serve the railroad personnel of all members of the Commonwealth. The answer was positive. Therefore, as we read in the minutes of the session, the railroad administrations must cooperate in subscriptions to GUDOK for 1993 and, within one month, consider the question of aiding the newspaper financially.

**The editors take this opportunity to express their gratitude to the participants of the Minsk meeting for their support. We shall try to do everything possible for GUDOK to continue to unite the railroad personnel of the CIS and the republics of Georgia, Latvia, Lithuania, and Estonia.**

In conclusion, the agenda for the next sixth meeting of the council, to be held on 20-21 November in Chisinau, was adopted.



## POLITICAL AFFAIRS

**Red-White Unity for Resistance to Ye'tsin***934C0376A Moscow DEN in Russian No 45,  
8-14 Nov 92 p 3*

[Remarks of Viktor Anpilov recorded by Nikolay Anisin:  
"The Main Thing Is To Save the Country"]

[Text] The day 7 November is a national holiday. A holiday which cannot be expunged from our life. The thousand-year history of Russia was not broken off in 1917, it acquired new life. The former foundations of the Russian state had failed the test of strength. The fall of the monarchy and then the replacement of the bourgeois-democratic republic with a worker-peasant dictatorship could not have occurred without deep-lying causes. The highest classes of Russia had turned their backs on imperial power and had imposed a form of government borrowed from the West, but had proved incapable of managing the great country. And for this reason the people swept aside the degrading upper strata of society and set about ordering life after their own fashion.

The October Revolution was not the work of one party. It was accomplished as a result of a powerful movement of the people's masses tired of the inept petty politicking of the ruling classes. Yes, many rogues and adventurers attached themselves to this movement. Yes, they managed to snatch executive positions in the soviets and the Bolshevik Party, to which they had gone over from the Bund, Pooley Zion, and other Jewish organizations. But it was not a conspiracy of Yid-Masonic forces which determined the essence of the October Revolution but the character of the Russian people. Our people followed the communist slogans of the Bolsheviks because an aspiration to social justice and a commitment to a public tenor of life had always been inherent in them.

There is no doubt that the civil war which followed the revolution shed much blood. But no revolution in any country has avoided blood, unfortunately. A new turn in the history of any people always costs them dear. Our forefathers had to pay a high price for the establishment of tsarist power under Ivan the Terrible, for the abatement of the Time of Troubles at the start of the 17th Century and for the Petrine transformations. The bitter fighting in the post-October period were the labor pains in which the new quality of society was born. The October Revolution was no exception to the general rules of the development of civilization.

I categorically reject the assertion that October was a tragedy for Russia. It was merely a pivotal moment in its history, at which destruction was replaced by creation. October revealed the potential of our people. It created the conditions for the participation in the building of the state of the people's masses at large. It made the working people the masters of the country. It secured for them all the necessary opportunities for creativity at work, in science, in culture and in the organs of power. The new Soviet state was not the fruit of the activity of the

bureaucracy, as the democrats now say, but the result of the creative labor of the people. And it was thanks to this that the USSR occupied just as worthy a place in the world as the Russian Empire had occupied previously. For this reason we have the right to believe that the October Revolution was a significant landmark in the millennial history of our state. And today, when this state is being destroyed, when the powers that be are turning our fatherland into a colony for the development of the capitalist countries, everyone who loves his motherland needs to leave aside arguments as to what is better: the ideals of Holy Rus or the Land of Soviets, and join the ranks of defenders of the state.

I fully support the resolution on the reconciliation of "reds" and "whites" adopted at the National Salvation Front congress. In addition, I believe that the Communist and national-patriotic forces need to switch from words to joint action. Working Russia has already taken the first step toward such unification. After Minister Poltoranin had fulminated against the newspaper SOVETSKAYA ROSSIYA for publication of the "Appeal of the Organizing Committee of the National Salvation Front," the workers' congress in Nizhny Novgorod organized by Working Russia immediately adopted a declaration of protest against the minister's actions. And several days later we mounted a picket line outside the Supreme Soviet in support of SOVETSKAYA ROSSIYA. Now Poltoranin is threatening the newspaper DEN also—and we are emphatically protesting against his threats!

The published program of action of the Front for November will, I am sure, meet with understanding both in Working Russia and in the Russian Communist Workers Party. We will participate in its activities: We will help and support as best we can. In turn, we also hope for the help and support of the Front in the actions which we have planned. At the present time it surely makes sense for Working Russia and the Front to operate as two arms of a single resistance to the Yeltsin occupation regime. What will happen subsequently, time will tell. The main thing is that our purpose remain but one—saving our country.

**Opposition to 'Yeltsin Dictatorship' Vowed***934C0376C Moscow DEN in Russian No 45,  
8-14 Nov 92 p 1*

[DEN communique]

[Text] According to competent sources, a meeting of the Security Council was held last week, at which President Yeltsin demanded the imposition in Russia of a state of emergency with direct presidential rule. Such a regime presupposes the breakup of the representative authorities, a ban on political activity, the closure of opposition newspapers, the internment of the opposition, and army subunits' patrolling of the neighborhoods. This measure

was contemplated without the approval of the Supreme Soviet and could be regarded as a military coup violating the current constitution.

During discussion of the president's proposal Defense Minister Grachev voted for it, Security Minister Baranikov and Interior Minister Yerin, against, and Skokov, chairman of the Security Council, abstained. The security and interior ministers expressed the thought that the authorities and power structures were not ready in terms of their quality and morale for implementing the measures proposed by the president. The Security Council passed no judgment, but the president's proposal was not withdrawn, merely transferred to a new session of the council.

According to experts studying the sociopolitical situation in Russia, the imposition of so-called direct presidential rule in violation of the provisions of the constitution would be perceived by the population of Russia and the leadership of the republics and the regions as a military dictatorship and would bring about the immediate disintegration of the country and the defection from the usurper of the Russian and national outlying areas. In addition, the acute dissatisfaction of the army, the collapse of the power structures and the profound anti-government mood of the people would make this dictatorship impossible.

But the National Salvation Front Political Council calls on the people for heightened vigilance and does not rule out the fact that the authorities will resort to an anticonstitutional coup. It is sure that in this case the Front's cells and branches locally would develop a struggle against the dictatorship and appeal directly to the Army and the people for defense of the constitution.

A Yeltsin dictatorship would not stand!

#### Officers' Union Assails Grachev

934C0376B Moscow DEN in Russian No 45,  
8-14 Nov 92 p 2

[Open letter from Lieutenant Colonel S. Terekhov, chairman of the Officers' Union, to the officer corps]

[Text] Proceeding from lofty state goals, the Officers' Union supported the decision of patriotic forces on the creation of the National Salvation Front and joined it.

We appeal to the country's entire officer corps: EACH OFFICER SHOULD DETERMINE HIS POSITION IN RESPECT TO THE PROCESSES OCCURRING IN THE STATE AND THE ARMY from the standpoint of NATIONAL-STATE INTERESTS and the PRESERVATION OF THE UNITY OF THE OFFICER CORPS.

P. Grachev, defense minister of the Russian Federation, has unceremoniously declared that "the Army is on the side of the president." The Officers' Union asks: "And what, Defense Minister, about the people? Why are you

counterposing the Army to the popularly elected congress and the Supreme Soviet, the constitution, and the Defense Act?"

We do not doubt P. Grachev's personal devotion to the president. But this personal devotion does not in itself mean concurrence with the national-state interests of the fatherland, the interests of tens and hundreds of thousands of officers!

Why are you, Defense Minister, abandoning officers in the Baltic to the whim of fate and why were you forced to suspend your decision on the withdrawal (more precisely, flight from the region) only after the firmly stated position on a freeze on the withdrawal on the part of the Officers' Union and the Coordinating Council of Officer Assemblies of the Baltic Region?

The fate of the military is for you in 10th place, and the favor of talentless politicians, highest of all. Military personnel are being killed, humiliated, and mocked in the Transcaucasus and Central Asia. Division commanders are being beaten up and having their ribs broken (Akhalsikhe) and arrested and held for ransom (Klaipeda), and the defense minister of Russia is requesting merely an investigation and sending telegrams, awaiting the next outrages against the honor and dignity of the state in the person of its officer corps. Our cheekbones are convulsed and our fists are itching as we watch the passive, unprincipled position of the present minister in the breakdown of the Russian Army, a position utterly indistinguishable from that of Shaposhnikov of the winter 1991-1992 model.

Why are you demanding and declaring devotion to a president who deceived the officers on 17 January of this year in the Kremlin and who has split the united armed forces and its officer corps?

Why was the decision on the taking of the new Russian oath, as of 1 December, what is more, adopted in such haste?

The Officers' Union declares that a purge of the officer corps is being organized in the Armed Forces. The present executive authority has decided to conclusively split the officer corps and assign the Army the role of instrument of its own political intrigues.

We say that you can take an oath to the Motherland and the people only once—and for life.

The Officers' Union will not leave its brothers-in-arms on their own in the face of the arbitrary action of temporary favorites. We will hold strictly to account those who are groveling before antinational forces, destroying the state and trampling the honor and dignity of the officer.

The Officers' Union will stand shoulder to shoulder with patriots—people's deputies, parties and movements,

organizations and leaders—with all for whom national-state interests and the stability and revival of the fatherland are above all else. Our unity will be a dependable factor of the unity of the whole nation.

Our brothers are wherever the concept and profound meaning of a unified great STATE within the borders of the Soviet Union in accordance with the wishes of the peoples and its bulwark—the united armed forces—exist.

[Signed] Lieutenant Colonel S. Terekhov, chairman of the Officers' Union

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For DEN readers: Officers' Union numbers to call: 283-79-47, 203-98-43, 454-42-07.

### Cultural Figures Appeal to Citizens

934C0376D Moscow DEN in Russian No 45,  
8-14 Nov 92 p 1

[Appeal from representatives of Russian culture: "The Cause of Our Forefathers Is With Us"]

[Text] DEAR COMPATRIOTS! ALL WHO HAVE NOT ABANDONED THEIR INTENTIONS AND LABORS PERTAINING TO THE SALVATION AND REVIVAL OF GREAT HISTORIC RUSSIA! THE NATIONAL AND ARTISTIC INTELLIGENTSIA!

We appeal to you at this troubling time for Russia, when by his decree banning the National Salvation Front and his threats against the Supreme Soviet of Russia the president is embarking on the path of persecution of and reprisals against dissidence. The democratic mask of which he availed himself in his political and power aims has now been cast off, and we have before us the true face of the person to whom our motherland was entrusted and who has plunged it into the mire of sorrow, fear, and adversity.

The president is violating the constitution and his presidential oath. In any other country with a presidential form of rule such a thing would have evoked an explosion of public anger and would inevitably have led to the speediest resignation of the perjurer. We Russians are, it would seem, too tolerant and lenient. The decree banning the National Salvation Front is an act of scandalous lawlessness. This document is contrary to all legal and constitutional provisions and jeopardizes the possibility of the citizens, all of us, defending our interests in unity of action by way of the creation of public organizations. The principles of our expression are thereby violated.

The flagrant encroachment on the rights of the individual and citizen must encounter a fitting national rebuff. We representatives of Russian culture appeal to the executive and the citizens of Russia to prevent coercion, preserve civic peace, and, if need be, uphold

our right to defend state interests and the moral and cultural norms of society in accordance with the public will and the constitution.

The salvation of Russia in years of historic ordeals is the people's sacred duty. And no one, not even the president, has the right to prohibit this. Prince Dmitriy Pozharskiy and the Nizhegorod citizen Kozma Minin did not seek for this the permission of the proxy in Moscow for the domain of the foreigner and paid no heed to the "Sire's" edicts of the Tushino imposter when it was a question of the state integrity of the Fatherland. May their will and choice be an example to Russians!

The National Salvation Front was created and must operate in defiance of presidential lawlessness. Let us unite in its ranks, keep our Motherland from being feasted upon by carrion crows which have descended upon it from all directions and halt the tyranny and dictatorship!

God and the cause of our forefathers are with us.

Workers and peasants, civil servants and soldiers, artists and clergy, men of learning and apprentices—all to whom Russia is dear! Let us remember the main duty of a patriot and let us defend our home and property or succumb to poverty, ignominy, and humiliation for many a year. There is no other way.

We appeal to you, our readers, viewers and audience, colleagues in artistic work and all who share our patriotic views and outlook, to whom we have turned heart and soul! We appeal to you to prevent the conclusive downfall of Russia and, forgetting dissension, to support the cause of its salvation.

Vasiliy Belov, Valentin Rasputin, Academician Igor Sharafevich, Nikolay Burlyayev, Nikolay Penkov, Yuriy Vlasov, Yuriy Bondarev, Stanislav Kunayev, Vladimir Krupin, Anatoliy Zabolotskiy, Vladimir Osipov, Eduard Limonov, Vera Bryusova, Vladimir Bondarenko, Aleksandr Prokhanov, Aleksandr Nevzorov, Viktor Kochetkov, Gennadiy Sorokin, Father Dmitriy Dudko, Yuriy Kuznetsov, Viktor Muravin, Vadim Kozhinov, Mikhail Lobanov, Petr Krasnov, Oleg Pashchenko, Eduard Volodin, Nikolay Mishin, Valentin Chikin, Ernst Safonov, Sergey Lykoshin, Nikolay Doroshenko, Academician Boris Rybakov, Academician Oleg Trubachev, Academician Sergey Nikolskiy, Sergey Alekseyev, Mikhail Alekeyev, Nikolay Starshinov, Boris Primerov, Vladimir Gusev, Aleksandr Vedernikov, Boris Romanov, Larisa Baranova-Gonchenko, Yuriy Sergeyev, Valeriy Khayryuzov, Anatoliy Buylov, Aleksandr Bobrov, Vladimir Yermenko, Yuriy Loshchits, Stanislav Rybas, Sergey Kharlamov.

### NSF Executive Committee Activities

934C0376E Moscow DEN in Russian No 46,  
15-21 Nov 92 p 1

[National Salvation Front Executive Committee information: "At the Command of the Heart"]



[Text] Yeltsin's decree has not influenced the formation of the NSF [National Salvation Front]. By 11 November structures of the National Salvation Front had been organized in 262 cities of Russia. Front support groups have been formed in a multitude of villages also. Rayon and oblast conferences, at which rayon and oblast NSF committees were formed, have been held in a number of cities. The Front's structures locally are being formed, as a rule by activists of the Russian Communist Workers Party, the Russian National Assembly, and Working Russia. At the same time the NSF Executive Committee has telegrams reporting the founding of Front structures by those who are not members of any parties or movements.

The NSF Executive Committee issues the reminder that a Front primary organization may be formed both by a group of fellow thinkers per the place of residence and by the workforce of an enterprise, establishment, kolkhoz, or sovkhoz. The minutes of a meeting for the formation of a structure of the NSF should be sent to **People's Deputy I.V. Konstantinov, Supreme Soviet of Russia, Moscow 103274**. It is desirable that the results of the meeting be conveyed by telegram to the said address with notification of the telephone number of the primary organization. Information on rayon and oblast NSF committees may be obtained in Moscow from the Front Executive Committee telephone numbers: **205-54-09, 205-59-82**. Local branches of the Front may obtain from offices of the Executive Committee the addresses and telephone numbers of people's deputies of Russia in order to hold meetings with them on the eve of the seventh congress.

The National Salvation Front is beginning to operate. The success of these actions will depend on you, compatriots.

#### **Liberal Democratic Party Leader Zhirinovskiy Interviewed**

934C0306A Moscow MOSKOVSKAYA PRAVDA  
in Russian 17 Oct 92 p 7

[Interview with Vladimir Zhirinovskiy, leader of the Liberal Democratic Party, by Andrey Vandenko; place and date not given: Zhirinovskiy the Falcon"]

[Text] Vladimir Volfovich is not a man to let others forget about him. With enviable regularity, he comes up with some piece of work that forces journalists of every stripe to vie with one another in scribbling their reactions in the newspapers. Having published an extensive conversation with the leader of the Liberal Democratic Party [LDP] in the beginning of the summer, we again made mention of him a couple of times in our little reports, which gave certain of our colleagues of the pen cause to begin to suspect that such fixed attention in Vladimir Volfovich concealed something more than simple journalistic interest. And having heard of our desire to conduct

another detailed interview with Zhirinovskiy, a comrade from the No. 1 democratic publication came right out and announced:

"Are you advertising a future dictator?"

I deemed it most proper to remain silent.

Not to get into an argument about the fact that it is another question who will first give us the gift of dictatorship. That is the first thing. Is it really necessary to explain and argue that, in contrast to many of today's political figures, who have frozen in static poses, Zhirinovskiy is lively, and this in itself makes him interesting. That is the second thing. V.V. is constantly tossing up topics for conversation (and not only about vouchers and raising the prices of energy sources)—that is the third thing. And in the present situation, that is the main thing for me.

#### **A Party Card in His Pants Pocket.**

[Vandenko] Vladimir Volfovich, they say that after the prohibition of the party by the Ministry of Justice, you went underground for a while.

[Zhirinovskiy] They talk rubbish! All that is nonsense! It is simply that a group of anti-Russian deputies in the person of Gleb Yakunin and Lev Ponomarev is trying to oppress the party in any way it can. At first they wanted to compromise me. It is not working out that way. From whatever side they came at me, they could not find anything—I am clean. Not that I am pure as the driven snow—I am not some Bolshevik or a Marxist-Leninist, but there is no point in picking fault with me. I am not a drunk, not a petty thief, not a bigamist.

They decided to grab hold of the party; they think they have found a sore spot. Aha—we have found something to latch onto: Why, they say, did you register with the Ministry of Justice of the Soviet Union? Since the USSR no longer exists, that means you also have to submit your documents again, and in the meantime, we will halt the activities of the Liberal Democratic Party. All right, we reply, that is no problem for us; we will gather our papers together again, and you just try not to accept them from us. Our foes rubbed their hands with glee too early; the Liberal Democrats are not so easy to get rid of.

[Vandenko] But really, more serious claims have been made against you than registering with the wrong ministry. The problem, it seems, was with the discrepancy between various articles of the LDP rules and the Constitution of Russia, and with the false lists of party members?

[Zhirinovskiy] Everything was taken care of immediately, as far as the rules were concerned. As for the lists... You know that they checked Gdlyan's party, and instead of having 5,000 people, it turned out to have 800.

[Vandenko] We will talk about Telman Khorenovich's party the next time, but in the meantime, let us figure out about the LDP: Do you have dead souls or not?

[Zhirinovskiy] People come and go from our organization. I fail to see any tragedy in that. A putsch took place last year. After it happened, a segment of the members of the LDP left our ranks, and others, to the contrary, joined. Whom are we to consider dead here, and whom, alive?

Or, for example—Tajikistan is now blazing in the flames of civil war. We had local party organizations there among the local Russians. Now these unfortunates have been compelled to leave their native parts; naturally, the last thing they are interested in are rules of registration and of dropping one's name from the party rosters. So who liquidated our local party organization—the party, or the country, which has rushed to tear its own citizens apart?

[Vandenko] But Vladimir Volfovich, if frail little old ladies, who have never in their lives heard of either the LDP or of Mr. Zhirinovskiy, are listed among the liberals with a record of service....

[Zhirinovskiy] What do old ladies have to do with anything? The commission dropped in on somebody and started asking unexpected questions, and people got flustered. They should have come to me. If I had gone up to that old lady, she would have remembered me right away. And anyway, we have very few pensioners; we are a youth organization. Mostly.... The average age is 20-30 years. So there is no point in making things up. A little old lady.... Show her to me!

[Vandenko] You do not waste time even on vacation. Tell the story of how you turned a democrat into a liberal by saving his son.

[Zhirinovskiy] I was vacationing near Sudak, in Crimea. One day, when a heavy storm was coming up, I walked to the beach to look at the waves. Suddenly I saw that a small boy was drowning. I happened to be right there. Well, I rushed in, needless to say. The water was up to my neck, and it was far over the child's head. I dragged him out. There was no particular heroism in it—I am generally the type of person who is ready to go to someone's assistance. Of course, I could have left the little guy there, but I did not do that; I rescued him. After that, the boy's father came up to me and announced that he was breaking with the democrats and joining the LDP. Many people on the beach came up to me with the same request.

[Vandenko] And you gave out party cards right there on the beach?

[Zhirinovskiy] What for? We gave them the address of our headquarters, and explained how to fill out an application form. In general, my fellow citizens did not leave me in peace, even on vacation. For instance, the residents of Sudak demanded a meeting with me. Of course, I would have preferred an extra hour to sunbathe, but duty is duty. I went out to the people and explained my position. I do not turn away from pointed questions.

The Crimeans are very anxious about the fate of their peninsula, and I assured them that that land was and will continue to be Russian.

*From the documents of the third congress of the Liberal Democratic Party. The chairman's political report: "Small peoples may take exception to me, saying that they also want their own government. I will answer them: The time to have thought of that was a few centuries ago. Take the great Tatar people. At the time when you had a great state—Genghis Khan, Batyy, Mamay—that was the time to think of the preservation of the Tatar-Mongol state. It did not work out that way. Mongolia is left. That is the historical homeland. The same with the Germans. If you do not like it in Russia, by all means, there is Germany; Jews—if you do not like it in Russia, there is Israel. Lithuanians? There are more of them in Australia and America than there are in Lithuania. And they live well there, and they are not planning to return from there either to Lithuania when it was part of the USSR, nor to Landsbergis' Lithuania."*

[Vandenko] Vladimir Volfovich, I have seen photographs—you do not part with your bodyguards even on the beach. What are they there for, amid the naked bodies; who is there to be afraid of on the beach?

[Zhirinovskiy] What is the difference whether it is amid the naked bodies or not? That is what they are bodyguards for—to be nearby all the time, at any time of the day or night. Anything could happen. Attacks are made in any situation, the very most unlikely from the point of view of a normal person.

[Vandenko] What—has someone really made an attempt on your life?

[Zhirinovskiy] Not yet! That is why I keep a guard, so that there would not be any emergency situations. Keep in mind that people who make these attempts usually do not ask for a second try; they do their evil deeds the first time around. But with me, they will hardly succeed.

#### In Wax and in Bronze

[Vandenko] The appearance of your doubles—is that also one form of self-defense, of confusing the enemy?

[Zhirinovskiy] Generally speaking, it all happened by chance. In St. Petersburg, a certain engineer was mistaken for me several times. When we met, I took a good look at him: There really was a similarity. We decided to take advantage of that. Let there be doubles.

[Vandenko] Who are these people?

[Zhirinovskiy] Activists, supporters. We do not go out on the streets just like that; we do not look for anybody on purpose. There could be plenty of people who look like me. Even for the purposes of personal safety, I try to use people who share my ideas, who are loyal to me. You understand, if anything were to happen, they would have to risk their life for me. It would be unethical to put some chance person in the way of a bullet or a bomb.

[Vandenko] And do you not propose to use doubles for the purpose of propagating your own ideas?

[Zhirinovskiy] For them to speak at rallies instead of me, for them to interact with the people? Yes, we thought about that. But it would be hard to rely on that, particularly. People could find out and be offended, to a certain extent. So we are not abusing it for now. But we are keeping the doubles in reserve.

[Vandenko] And how many duplicates of Zhirinovskiy exist today?

[Zhirinovskiy] One each in Leningrad [as published] and Moscow. Again, I repeat: We are not looking for anyone on purpose. A citizen comes up to us and offers us his services, we hear him out politely. If we need help, we will call. I did not pick out my guard, either—they came on their own. The waxworks museum also took the initiative; they wanted me to be displayed among the exhibits. I do not ask favors of anybody. I do not know them. I sit here at headquarters, and everyone runs to me with requests and proposals.

[Vandenko] I do not say this for flattery's sake, but your wax copy will be weaker than the original.

[Zhirinovskiy] There is nothing surprising about that. Imitations always take a back seat to the real thing. Do you think it is possible to convey in wax human energy, temperament?

[Vandenko] I thought that it was for another reason: The sculptor probably made the figure from a photograph.

[Zhirinovskiy] No, I posed. I had to. I went to the studio about five or six times. We gave him film, photographs. The work was done in two months. I will tell you honestly, it is unpleasant to see oneself in wax. The color is dead, somehow. As if I were also no longer among the living. Really, in that museum, all of the displays except me are already dead people. Not counting Yeltsin and Gorbachev. All the rest are historical figures from the past. They have already departed to another world, for them there are no problems; they do not see themselves in wax. But I look at my yellow self.... True, I went into that museum only once, for the figure's debut.

[Vandenko] And is the suit on the wax Vladimir Volfovich yours?

[Zhirinovskiy] Everything is mine. The shirt, the necktie, the socks, the boots.

[Vandenko] Did the party compensate you for the losses sustained by your wardrobe?

[Zhirinovskiy] The losses were not great; I gave them an old suit.

[Vandenko] What? You are going to stand there in front of all the honest people in a jacket with greasy elbows?

[Zhirinovskiy] No, it was a new suit, but it is old. In the sense that I do not need it anymore—it has gotten too small.

[Vandenko] So the figure is still a smaller copy?

[Zhirinovskiy] Just a little. Just so the suit would fit.

[Vandenko] Vladimir Volfovich, and would you like to be immortalized in bronze?

[Zhirinovskiy] They are already doing that. My bust is being made by the same sculptor who also did the bronze figures of Yeltsin and Gorbachev.

[Vandenko] For whom is it an honor—for you or for the sculptor?

[Zhirinovskiy] Not for anyone! I did not ask him for anything; again, everything fell together by chance. You asked about bronze, and I am informing you. My bronze busts will soon go on sale.

[Vandenko] Do you intend to replace Vladimir Ilich on people's counters?

[Zhirinovskiy] Why would I replace anyone? I am enough by myself. People know me well. I know for sure that many people will be found who will want to see me all the time at home, at the dacha, at work. We should help people satisfy their natural wish. We will adjust the output of my statues.

[Vandenko] Are you not afraid that the bronze Volfoviches will start to be bought up en masse and sent in industrial shipments to the foreign countries close to us to be melted down?

[Zhirinovskiy] There is no need to debase a good idea. Do you really think that my bust is good for nothing more than the raw material? You are mistaken. We are planning to manufacture pins with my image and banners with the party emblem. All of that will find a buyer.

*From the chairman's political report: "The situation is very advantageous for us now that the CPSU has been banned. That was the richest, strongest, oldest party. And today's are all amorphous; they do not have any influence. Leaders are not to be heard! Therefore, we find ourselves in advantageous conditions. The situation suits us. The GKChP [State Committee on the State of Emergency] was advantageous to us in the sense that they tried to instill order somehow. And—failure. If they had succeeded, then naturally, they would have ruled. Therefore, the defeat of the GKChP was also advantageous for us. For today's democratic forces, in the final analysis, banned the CPSU and destroyed the old, settled structures. And they will not manage to or be able to create new ones. Therefore, a power vacuum is forming. We, the LDP, can move into that vacuum."*

#### **Sending Kashpirovskiy Into Orbit**

[Vandenko] Did you also accept Anatoliy Kashpirovskiy into the party?

[Zhirinovskiy] So far, he has not made an application, but if he does apply, we will not turn him down.

[Vandenko] What prompted the actions in support of Anatoliy Mikhaylovich's demands that he be sent into space in an orbiting ship?

[Zhirinovskiy] Kashpirovskiy is a very good psychologist; I like him better than Chumak or the others. I always listened to Kashpirovskiy's seances, even though I do not have the diseases that he cures. He is simply a pleasant person, he has a calming effect. They should not have stopped showing it on television. Better Kashpirovskiy than all those spouting deputies and ministers, who have pushed a great country over the edge. My head immediately starts hurting and my stomach starts to ache when I see some Gaydar or Burbulis. Kashpirovskiy causes no harm, and there could be some benefit. Therefore, I saw an act of discrimination in the fact that our scientist is not allowed to fly in space, but that any foreigner has only to hiccup and we carry him to the rocket ladder in our arms. Kashpirovskiy is ready to pay his own money for a flight, but foreign tourists travel free of charge on our spaceships and look out at Earth from the window. What is the sense for us in that? Where is that Mongol today? They took a Czech into orbit. The country Czechoslovakia no longer exists, and they call our soldiers occupiers there. Hungarians went for a ride, Vietnamese, and who else? So they can, but our specialist, an important scientist, cannot?

[Vandenko] But did Kashpirovskiy authorize you to take up his case?

[Zhirinovskiy] No, we took the initiative ourselves. We follow events around us, and come to help even when we are not called.

For instance, the United States is again threatening Baghdad with war. We came out with a sharp condemnation of the oppression of a sovereign country. That pleased Iraq's ambassador in Moscow.

We protested against the transfer of the Kurils to the Japanese. In support of the Serbs. Just to manage to register a reaction to events that are taking place in the world; we do not have to think anything up. All I have to do is to go out into the street, and a crowd of people gathers, and a topic of conversation comes up. I have my own opinion on every subject.

*From the chairman's political report: "Submarines near Murmansk and in Crimea! Would that have been possible in previous years? That is practically the beginning of war. When a submarine or an aircraft crosses the border of a state, that signifies a declaration of war. That submarine should be destroyed and lie on the bottom of the Barents Sea. Destroyed! And after that what should have been done was to call the American ambassador to the Kremlin, lay some shards of the submarine out in front of him, and say: 'What is this, Mr. Ambassador?' And demand an explanation from the President of the United*

*States.... We are going to be destroyed from the west, the east, and the south if Russia does not again become a strong, powerful state.'*

### We Do Not Go the Way of 'the Rich'

[Vandenko] Recently Moscow got a visit from the renowned Marianna—actress Veronica Castro. You did not attempt to meet with her?

[Zhirinovskiy] That is absurd—barbarous! Some kind of actress from some Mexico, who was filmed in some movie there, comes over here.... And our television, Channel 1, reports on her every step and her every sigh, and the state secretary receives her in the Kremlin.... What are they doing? Concern yourselves with the country! What does this actress have to do with anything—is she going to feed the people this winter, or what? Anyway, if it comes to down to it, we have a tonne of actresses like her here. If you want to talk to a pretty woman, give one of your own a call, there is nothing for that Mexican to put on airs about. She does not even know how to act. So I was not in any hurry to meet with that Veronica. If there had been an opportunity, I would have associated with her in calm surroundings in some cultural center, but they raised such a hullabaloo around her, on the level of a head of state, that yech, it was even shameful.

[Vandenko] But I think that if you made a public appearance in Veronica's company, you would only earn extra points. Marianna has such a huge army of worshippers in our country, not a single politician can compete in popularity with that heroine of the SeNeGalese screen [this is a pun, a putdown of the CIS—the Russian acronym for CIS is SNG].

[Zhirinovskiy] No, that does not work now. People are embittered, hungry, and the prospects ahead are even more tangled and unclear; therefore, glittering on screens or on magazine covers with black caviar on bread and a glass of champagne—excuse me, we did not run into such things. I know what I am doing. Recently, I was driving past the mayoralty, and nearby the entrance workers were digging a ditch. I stopped and got out. The workers came running up to me and began complaining about their life. Basic food items cost astronomical amounts of money. How can anyone not be outraged at that? Naturally, people are worried. I would make a fine sight in a bow tie, with Veronica Castro on my arm. I do not want anything like that. She has flapped her little wings and flown back to her Mexico; I am staying here to live. I do not need any champagne of "the rich."

[Vandenko] However, you do not turn down beer at a Munich beer hall?

[Zhirinovskiy] You understand, German friends treated me, having invited me to their country. They have a custom of treating a guest to beer. They do not respect tea and vodka. I surely could not stand up and demand that I personally get 100 grams instead of a glass. I had to drink beer.



[Vandenko] Vladimir Volfovich, are you not afraid that the words, "I had to drink" will infuriate the people no less than Castro's champagne? We have no fewer devotees of beer than we do admirers of Marianna.

[Zhirinovskiy] No one would have known about the beer, either, if it had not been for that journalist with the television camera. He could not think of anything cleverer than to shoot me against a background of beer bottles. And then they showed the subject on the news, on the first channel. I could not have foreseen that.

[Vandenko] I am not talking about that, the beer. Another parallel is begging to be made here. The very densest and most illiterate person draws a very concrete association with Munich beer halls.

[Zhirinovskiy] Oh, you are talking about Hitler? In Germany, they already view him calmly now. And, I think, we do too.

[Vandenko] I do not think so. In any case, as relates to our country.

[Zhirinovskiy] Well, I mean, opinions on that historical figure are changing a little. My generation and I grew up on hatred of Hitler and of Germany; today's young people look at everything differently, and even in some sense sympathize with the ideas of national socialism.

[Vandenko] And your personal perception of Adolf Schicklgruber has also changed?

[Zhirinovskiy] He was a political activist of Germany, whom we have seen in a slightly distorted light. Of course, some of Hitler's causes and acts brought harm to Germany. Some of the ultraradical declarations worked in opposition, but on the whole, his ideology does not contain anything negative.

[Vandenko] In a word, analogies with the Beer Hall Putsch and with the political activist who began his career in a Munich beer hall do not bother you?

[Zhirinovskiy] I do not give that great significance—I do not try, as you do, to search out a hidden meaning here. So it was a beer hall; so it was Munich. So what? Why can I not drink a little beer?

[Vandenko] Your company at the table was not just anybody—it was the leadership of the German People's Union.

[Zhirinovskiy] If their headquarters are in Munich, it is not for me to bring it to Moscow, just so that some very literate viewer or reader would not think something like that. I would be a fine one to come in with proposals to close the beer halls all over Germany, so as not to rile the vigilant Russian peasant. Maybe I should also have asked that red flags be hung up and I myself should have shouted "Long live Telman!"

That beer came pretty easily to you! You would do better to write that when foreign millionaires come to visit me, I will give them tea to drink. Tea!

Why do you not say that I not only went around to Hitler's beloved beer establishments, but in Koenigsberg I visited Kant's grave, and the grave of the Russian philosopher Ilin in Zurich. I was the first Russian citizen there in many years. I stood over the gravestone and I felt sad that there was no one to take care of the final resting place of our great thinker. Correspondents do not notice that!

[Vandenko] Consider it noted.

[Zhirinovskiy] Humanitarian aid—five computers—I gave to Muscovite schoolchildren. Why is the press silent?

#### From the 'Shadow' to the Throne?

[Vandenko] Vladimir Volfovich, you complain of a lack of attention? The creation of Zhirinovskiy's shadow cabinet, for instance, was written about by probably every newspaper in Moscow, including those with large circulations.

[Zhirinovskiy] Something bothers you here too, with my government? It is the usual life for a political party that finds itself in opposition. We strive to play a more active role in the life of society. There are about 20 ministers in our cabinet, some of whom conduct active work and others of whom are only on the list, knowing that their services could be required at any moment. We are preparing to take upon ourselves the responsibility for running matters in the country, and now we are engaged in forming the structures of power. One leader cannot deal with everything. Out of 82 regions of Russia, our local party organizations are functioning in 76, and we get information from all places; therefore, we have a perfectly clear picture of the situation in our country.

[Vandenko] Tell me, do you have your own Kruchina in your shadow cabinet or in the LDP, how many millions do you have control of?

[Zhirinovskiy] No, no administrative department exists in the cabinet—it is too early. For the moment we have simply distributed cabinet posts. And there is a Kruchina post in the party, but not a million rubles. Our billions will appear, and we will have our Kruchinas, we will get them. For the moment we have kopeks, which could fit into the right pocket of my jacket. But we will have money, have no doubt. People, disillusioned with the Democratic Russia people, with Yeltsin, will reach out to us. The old names, the Soyuz group, say, Alksnis, Makashov, will not gain their previous rating. Sterligov is also bound to the previous regime—he is a Communist, a general. Who is left? I am.

*From the chairman's political report: "I am often asked what my first edict would be if I were elected president. I answer, an edict that would contain several points: 1. A*

halt to civil war, including, if necessary, the use of armed force. 2. Restoration of the borders of the Russian state at least to the borders of the former USSR according to the Constitution of 1977....

*Where was I myself born? Abroad, it turns out. My native city is Alma-Ata. Historically, its name is Vernyy. That is what it was named by the Russians who built it: Where were the Kazakhs, and why did they not build that city? And then it would have been named a Kazakh name to begin with. Russians built it; it was a Russian outpost in Asia. Russians built a cosmodrome there; why did Kazakhs not build it? The nuclear polygon, a large number of plants; the Kazakhs raised livestock. That is a very important branch of the economy, very necessary, and they do it well."*

[Vandenko] Vladimir Volfovich, during our last meeting you predicted that Yeltsin would not sit the autumn out in his president's chair. Autumn is at its peak. Do you still maintain this opinion?

[Zhirinovskiy] The first swallow was on 10 September, when he put off the visit to Japan. Obviously, that was done from political motives. Perhaps he remembered that the Argentine government had had to retire at the people's demand after the Falkland Islands were given up to Great Britain. Yeltsin is afraid to raise a popular wave. Patriotism is a thing that is a little more serious than hunger. People can bear destitution, but wounded national dignity they will not countenance. Yeltsin was smart enough to stop. But he is the type of person who cannot not make mistakes; he is sure to get himself into something. If he was forgiven for this before, and his rating with the people was very high, and therefore even obvious bits of foolishness went off without visible consequences, the situation now has changed sharply. The credit of faith has been scooped out practically to the bottom. Any puncture in such a situation could prove fatal. The country was ready to explode over the Kurils. The danger passed. We will see what happens further.

[Vandenko] So you are on the lookout all the time: As soon as the crown falls off his head, you will snatch it up right away?

[Zhirinovskiy] You understand, in order for our party to come to power, parliamentary elections are necessary, and there will not be any. In the near future, at any rate. Of course, anything could happen to the president; he is mortal, like all of us. Rutskoy, who, according to the Constitution, must replace the head of the country in the event that is necessary, is an unsuitable figure. He has the same minuses trailing along behind him that Yeltsin has: He is a former Communist, a former member of Democratic Russia. In a year he has done nothing real. He just sits and twirls his mustaches. Sometimes he shows up on television, shaking hands with some overseas guest. He is responsible for agriculture? But how can you be responsible for something you do not understand? That is not the same thing as riding on an

airplane. So.... I have no competition. But we are in no hurry; the fruit must ripen. Upon what will the Democratic Russia people lose? They did not expect that they would come to power 21 August; they thought that for five or 10 more years they would be in the opposition, fighting with the Communist Party. Their unexpected victory caught them off guard. We will not repeat their mistake.

[Vandenko] So your march to the Kremlin is temporarily postponed?

[Zhirinovskiy] Lord, is it really possible in our country to plan over the long term? Come back in a couple of months, and we will talk.

[Vandenko] All right. Until we meet in the beginning of winter.

### 'Democratic Russia's' Land Ownership Referendum Criticized

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p 1

[Article by G. Sayenko, Russian People's Deputy, and O. Cherkovets, Candidate of Economic Sciences: "A Referendum of Falsehood and Deception: In Hope of a 'Dead Cat'"]

[Text] Having mobilized the remainder of their supporters that had not yet gotten away, the anti-democratic "Democratic Russia" is once again reating a huge uproar. This time the din surrounds the notorious referendum on private land ownership. The goal of the act, as well as the particular aspect of it chosen for the "shock-worker style" collection of signatures in its support, are utterly clear: To divert the attention of Russians as much as possible from the government's spasmodic attempts to avoid responsibility for the failure of the social and economic policy imposed on our country, and to do so at any price, be it even by means of a direct government overthrow. There is also a more specific aim: To throw yet another "dead cat" at the public in the form of a new shady enterprise, and to do it at the very moment when it is becoming clear to the majority of the population that the previous shady deal has failed, as has the "general distribution of vouchers."

As soon as the cold and hungry winter begins vouchers will start flowing in a steady stream into the hands of speculators in exchange for several bottles of vodka and a couple kilograms of meat or sugar. (the price of which by that time may have jumped two or three times). Then the tremendous patience of the Russian people may run low. In order to keep this from happening, the last detachment of defenders of the government, the "Dem-Russians," want as soon as possible to place another trump-card, as they see it, in the hands of Gaydar's team to black-mail the public and the deputy corps: Look here, they will say, what the "people want" is to become owners, not the replacement of our cabinet. You watch,

in such a way they will get away with robbing 95 percent of Russians with daily increases in prices, and giving run to crime and speculation...

In this situation it is the duty of the people's deputies - the last constitutional stronghold of lawful authority in the Russian Federation - to turn to the public with a statement making clear the state of affairs both with the referendum and the situation surrounding it.

Russians should know two things. First of all, that the initiators of the referendum are shamelessly deceiving the citizens of Russia in trying to convince them that the right to private land ownership is allegedly absent both in the Constitution that is now in force, and in our laws. The right to own and use land was long ago secured in the Constitution (see article 12 of the Constitution and the decree of the Second Russian Congress of People's Deputies, December, 1990).

However, the latter has been talked and written about many times. What is important now is to explain to the people, in whose interests the present government is acting. By all appearances, it is operating on the behalf of those dissatisfied with not having the right to buy up land from Russian citizens for next to nothing and as quickly as possible, while the majority of people experience extreme privations and a shortage of money. In this way, our priceless possession - Russian land - will end up in the hands of speculators here at home, enterprising businessmen from "close abroad," and foreign mafia.

It is then necessary to phrase the question on the referendum differently. Ask the citizens of Russia: **"Are you in support of it being possible to buy and sell Russian land without any kind of restrictions?"**

Does it sound rather crude? Exactly. There is also another aspect I would like to draw attention to. In whatever form the referendum is phrased, a second question should also be included. It was prompted by the results of the public opinion poll, reported on the evening edition of Russian TV's "Vesti" on November 8th. More than 70 percent of Russians polled were in favor of Russian citizens having priority with respect to the right to attain land in Russia. Thus, in correspondence with this sentiment in Russian society, a second question should be put on the referendum, something along the lines of: **"Are you in favor of Russian land being transferred under the ownership of, or sold to foreign citizens?"** Now this question would be phrased honestly.

Otherwise, what would result is shown by the example of the notorious "experimental" auction of land parcels, which took place not long ago in the Ramenskiy region within the Moscow oblast. During bidding closed to the public(!) unknown millionaires bought up nine parcels of prime land near Moscow for a mere trifle. If we continue to be silent they will just as easily buy up our interior and arable lands.

## REGIONAL AFFAIRS

### Kabardino-Balkaria President on Relations With Center

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in Russian No 14, 5 Oct 92 pp 24-29

[Interview with V. Kokov, president of the Kabardino-Balkaria Republic, by special correspondent Yu. Zvyagin; place and date not given: "Presidential Power As It Is"]

[Text] Moscow-Nalchik-Moscow

Foreign policy, international economic relations	Defense of the citizens' rights and liberties
International treaties of the Russian Federation	Peaceful gatherings, marches, and demonstrations
Delineation of terms of reference between the Russian Federation and oblasts, krais, and republics of the Russian Federation in the sphere of international and foreign economic relations	Public associations
Maritime economic zone of the Russian Federation	Political parties
Continental shelf	Trade unions
	Public movements
	Freedom of information
	Right of the citizens to freedom of movement and choice of whereabouts and abode within the Russian Federation
	Procedure of exit from the Russian Federation and entry into the Russian Federation
	Citizens' appeals

[Zvyagin] Valeriy Mukhamedovich, permit me to congratulate you on your election to high office. I have been told that your road thereto was arduous.

[Kokov] Thank you for the congratulations. For me my term in the highest state of office has been a stern ordeal. I and my electorate have assumed big mutual pledges—and they have to be realized. As far as the elections are concerned, they were conducted in several rounds and stretched over three months. Of course, great effort was needed to win the trust of a majority of citizens of the republic.

[Zvyagin] I can imagine how difficult this was, considering that you were in the recent past first secretary of the republic party organization. In a number of regions of the country this would have been enough to have denied you support. Your personal attributes helped, obviously.

[Kokov] Not only and not so much. The main thing was the election program, in which I tried to depict as specifically as possible my plan of action for a solution of the republic's economic, social, political, and national



problems. Granted all the excitability of our peoples, centuries-long experience has fostered in them wisdom of judgment and decisiveness of action. The fact that a majority of the population participated actively in the elections testifies to its endeavor to proceed by the democratic path, not rushing to extremes.

[Zvyagin] The times of your election as president of the republic are difficult. Voices advocating the division of Kabardino-Balkaria into a minimum of two republics—Balkaria and Kabarda—are still being heard. The press has already reported this repeatedly as an actual fact.

[Kokov] The rash conclusions of certain journalists are to be regretted. Only people who are totally ignorant of the mood and real aspirations of our peoples, to put it no more strongly, could draw such impetuous conclusions. Our peoples did not bear centuries-long ordeals in order to perish in a fratricidal war. And we have embarked on the path of national revival, not degradation. Yes, there is a Balkar problem, nor is the Kabarda problem any less acute. The unresolved nature of national, cultural, language, demographic, and many other questions are the basis. And economic and social problems, of course. The search for enemies is an attempt to distract people's attention from the true causes of the disorder. This is not our choice. The attempt by some people to explain the shortage of each and everything as the fault of other peoples and by the fact that some people are eating others out of house and home is a return to the Middle Ages. Our fellow citizens will not descend to this. Such is the position of our intelligentsia, our experienced elders, and our youth true to the traditions of their parents. Full of human and national dignity, we will take the path of genuine national revival in a democratic and law-based Kabardino-Balkaria. The distrust and opposition of the national movements are passing. The soundness of the balanced and well-considered policy chosen by the authorities and the majority of political parties of the republic is becoming increasingly apparent.

The mere fact of the participation of hundreds of thousands of voters in the presidential election was a general rejection of national confrontation and its consequences leading to chaos and collapse. Various political and national movements have become active in their aspiration to achieve their own aims and break through to power. And under our conditions the presidency has proved to be the sole way of overcoming the instability and the weakness of power.

Common trends toward independence and self-determination have begun to manifest themselves increasingly distinctly in all the former autonomous republics of the Russian Federation. This was revealed back at the time of the elaboration of the Union and Federal treaties even. We obtained at that time the "go-ahead" for the autonomous republics to acquire new status both within the former Union and the Russian Federation. Practically all the former autonomous republics declared state sovereignty within the framework of the Union and the Russian Federation. The

exception was Tataria, which declared that it desired full independence. There was a sharp exacerbation of the situation following the formation of the CIS. To prevent an intensification of the interethnic struggle leading to disintegration following the Union scenario, the Kabardino-Balkaria Supreme Soviet enacted a law on presidential power, scheduled elections for this office, and determined their procedure. Electoral passions lasted from October right up to 5 January, when the wishes of inhabitants of the republic were finally determined.

[Zvyagin] May it be said that the appearance of the first freely elected president of Kabardino-Balkaria has become a symbol of its genuine statehood?

[Kokov] We were in no hurry to proclaim our statehood and, having tallied and weighed everything many times over, became firmly convinced that our intellectual, economic, scientific, and cultural potential allow us on a par with the other peoples of the Russian Federation to realize our inalienable rights of full subjects of a Russian Federation in renewal. But we never considered our sovereignty an end in itself and never used it for political pressure on Russia.

We have always proceeded, are now proceeding, and will continue to proceed from the fact that questions of the mutual relations of subjects of the Federation should be decided exclusively by way of negotiations and to mutual benefit. We are not looking to grab as much as possible in a weakened Russian state. Our peoples have lived in a Russian state for 500 years. We had both mutual respect and mutual trust and we have had tragic periods also and made many sacrifices to strengthen Russia's positions in the Caucasus. The jointly spilled blood and sweat give us the right to respect for our aspirations, and we sincerely hope that the new Russia will not repeat the mistakes of the past.

As far as the role of the president in the formation of our statehood is concerned, it is significant enough. We have decided a number of material questions of our statehood solely on a legal basis, within the framework of Russian laws. In addition, the introduction of a presidency makes it possible, finally, to have done with the disarray in administration. A real opportunity for creating an absolutely new executive structure has emerged.

[Zvyagin] Were the attributes of the presidency easily introduced?

[Kokov] I cannot say that presidential rule was implemented easily. Habits make themselves felt. There are many difficulties particularly in relations with the representative authorities. Lack of harmony and, at times, opposition even are frequent. But I put all this down to the youth of the institution of the presidency itself.

[Zvyagin] Difficulties at the parliament, government, president level?

[Kokov] Not only. However strange, a lack of harmony is manifested most at the community and village soviet

levels. They are endeavoring by force of inertia to resolve all problems independently. The administration of the village and the community is having to confront such desires and show the need for a separation of powers.

At the district, city, and republic level the opposition diminishes. This is the case with us, at least. There are no particular contradictions in relations with the Supreme Soviet. Although, I have to say, former habits are reflected here also. Parliament sometimes takes up economic matters, forgetting that there are now presidential structures. There are more serious problems also.

Thus formerly the highest executive and administrative body was the Council of Ministers. With the introduction of the presidency, in our view, its functions should be narrowed somewhat, and an alliance of the machinery of the president and the ministerial cabinet would produce the best result. We in fact made a certain reduction in the employees of the government machinery not just to reduce the costs of its operation. The most important thing is to exclude bureaucratic structures, lift the veil of secrecy from the machinery of state, and increase the openness and responsibility of ministers and other members of the government.

[Zvyagin] Some changes needed to be made in the Supreme Soviet also, surely?

[Kokov] Of course. Take an elementary example. Whereas even recently a standing commission dealt with questions of awards, this is now an exclusively presidential function. The appropriate office has been created in the office of the president. There will be big changes in the committees and standing commissions of the Supreme Soviet—they will deal with genuine law-making. There will obviously be a reduction in our parliament's administrative staff also.

[Zvyagin] Could you, Valeriy Mukhamedovich, not familiarize us with the structure of the presidency?

[Kokov] At the top level—the republic level—there is the office of the president. It is very small. We wish to avoid a growth of personnel and duplication of the work of the cabinet and are channeling our main efforts into assurance of the efficient integration of these two bodies. We are succeeding here as yet. The cabinet undertakes operational economic-administrative work.

Heads of administrations, who have, in turn, formed, with consent of the city and district soviets, their own offices, have been appointed in the cities and districts. The administration heads have deputies responsible for particular areas of economic and sociocultural life.

A special order of the president accords the district and city administration heads the right to select and appoint the administration of settlements, rural communities, and large villages. Thus an executive structure has been created from top to bottom. It will in time undergo changes, possibly, but only in the sense of a search for even more efficient forms of the exercise of power.

[Zvyagin] And what has been the result?

[Kokov] Positive. Order, organization, and discipline have strengthened. The political situation has stabilized. The economy has gained a second wind, as it were. Aside from the state-owned enterprises, private, collective enterprises have begun to function.

But the situation is on the whole, as throughout the country, difficult. The problem of financial circulation is intensifying increasingly. Is it not infuriating that in our small Kabardino-Balkaria, which has only 350,000 workers, the arrears in terms of wages and other payments for a six-month period are in excess of R500 million? And the unpaid pensions and grants? This is a detonator of social tension.

There is a great need for fundamental property reforms. We are only just embarking on the realization of a privatization program, which, it was intended, was to have been implemented prior to the release of prices. The enterprises have not become the property of the people who work at them. There is a recession. Industrial production has declined by one-third. This is the limit, beyond which complete collapse could set in. There has been a considerable decline in agriculture also. The dual position of the present collective farms—kolkhozes, state-owned enterprises, sovkhozes—whether to continue to operate or distribute property and the land, has made itself felt. As a result the production of meat, milk, and other animal husbandry produce has declined 20-35 percent.

As everywhere, trade in physical terms has declined, and monetary circulation has grown incomparably. Even the sale of basic necessities has declined considerably. And such commodities as meat and dairy products are piling up, finding no market at the new prices. Meat in state and cooperative trade is considerably more costly than on the market!

The dissatisfaction is directed primarily at the president and the government. But, you will agree, we are not in a position to change the current situation on our own since it is a reflection and part of Russia's common troubles.

[Zvyagin] All this was dealt with in detail at the Sixth Congress of People's Deputies. How do you evaluate it?

[Kokov] The Congress recognized but did not remove the contradictions between the executive and the representative authorities. They were swept under the rug, what is more, and subsequent events have confirmed this. The desire to adopt a center position and reconcile the irreconcilable is not always justifiable. There are moments when, in the name of the people, one viewpoint should be upheld. This did not happen either on the problem of the relations of the representative and executive authorities or in connection with the economic reform. A solution has not yet been found. The crisis is intensifying. Market relations, not having been engendered as yet, could find themselves at an impasse.

[Zvyagin] Nonetheless, the peoples of Kabardino-Balkaria hope that their president will prevent a disaster. You are in direct contact with the president of Russia, his administration, and the government. Might you somehow influence the policy of the center?

[Kokov] Unfortunately, relations with the federal authorities cannot be satisfactory for us at the present time. And, moreover, the longer it continues, the less firm and less substantive the relations become. We are in a number of instances failing to find mutual understanding at all or, at times, a response to our troubles even. We go several months at a time without getting a single call from Moscow. This puts us on our guard.

[Zvyagin] But, perhaps, this is a good thing also. An end has been put, finally, to command-administrative methods of leadership?

[Kokov] All this would be so were it not for the need to solve problems which pertain to joint jurisdiction within the framework of authority delegated to the central authorities.

[Zvyagin] Examples?

[Kokov] Certainly. There was a meeting with President B. Yeltsin in February. It was attended by the leaders of the executive authorities of all republics. There was an exchange of opinions on the relations of the federal organs of executive power with the republic organs of administration. It was stipulated, in particular, that the leaders of the executive authority of the republics within the Russian Federation were members of its government and would participate in its work regularly. At least once a month. But the decision remained unrealized. Agreement was reached at that same time that we would acquire more rights in international relations, which would make it possible to expand ties to our diaspora in a number of countries of the Near East and in Germany. But there was subsequently a formal response from the Russian Foreign Ministry. And this is a sore point with both the national movements and the entire community, which are demanding the establishment of relations with our diaspora overseas. Or, further. It was agreed that within the framework of the first quarter Kabardino-Balkaria would receive lump-sum financial assistance for the installation of projects of the local soviets totaling 400-450 million rubles. But the promise has not been fulfilled even as yet. There are far more such instances, unfortunately.

[Zvyagin] And what should be done?

[Kokov] It is necessary first and foremost to ensure that the leaders of the executive of the constituent republics of the Russian Federation not be formal members of its government. This would enable the center to get to know our problems, and us, to put questions more specifically to the appropriate federal authorities and to resolve them. At the same time it is necessary to establish a mechanism of systematic, constant liaison. The federal ministries and departments should cooperate more

closely with the local services. And, what is most important, it is necessary to enhance the efficiency of activity pertaining to the development of the regions of the Russian Federation and a solution of their economic and social problems.

[Zvyagin] Is this just your opinion or the viewpoint of your colleagues—the heads of other republics? How often are you in contact with one another, incidentally?

[Kokov] What I have said could be borne out by the heads of other republics also to a certain extent. We are in regular contact, availing ourselves of various meetings in Moscow for this usually. In addition, we exchange information by telephone. I am in regular contact with Bashkortostan, Dagestan, North Ossetia, and Adygey. The first multilateral treaty on economic and cultural cooperation for the next five years between Adygey, Karachay-Cherkessia, and Kabardino-Balkaria was signed recently. Abkhazia, which is a part of Georgia, wishes to subscribe to this treaty also. An agreement on economic cooperation has already been signed with Yaroslavl Oblast, and similar agreements are being prepared with Stavropol and Krasnodar Krays and other regions. We intend to expand and strengthen the practice of such cooperation.

[Zvyagin] There are arguments over private ownership of the land. What is your opinion on this score?

[Kokov] We gave this much thought and concluded that private ownership of the land on an all-embracing scale cannot be introduced in Kabardino-Balkaria, in the foreseeable future, in any event. The point being that the republic is overpopulated. Any partitioning of the land would lead to brutal, most likely, bloody conflicts not only between individuals but also between entire peoples and to insoluble territorial claims.

It is impossible today to draw a line between Balkaria and Kabarda and between Kabarda and the Cossacks. We are a heavily integrated people, and for this reason it is simply impossible for us to introduce private ownership of the land today. This is why the Kabardino-Balkaria Supreme Soviet enacted a law which clearly determines that the land is public property. It cannot be sold, but enjoying and utilizing it and inheriting it—certainly.

[Zvyagin] Tell us a little about yourself. This would be of interest to the readers.

[Kokov] I am a representative the 1950's generation. My parents and grandparents were also natives of these parts. I am a Kabardinets. My wife is a pediatrician. My daughter is completing her studies at a medical institute. My son is studying to be an agricultural specialist. I have been through the customary school of life. I completed seventh grade and enrolled at the technical school and then graduated from college. I became an agricultural specialist. I was chief specialist on the farm. I studied science and am a candidate of economic sciences. I was head of a department of the Ministry of Agriculture and



leader of a sovkhos and then I went into party work. I was first secretary of a district party committee for nine years. I was head of the republic Selkhoztekhnika. Then party work once again. Secretary for agriculture and then second and first secretary of the oblast party committee. Subsequently I was elected chairman of the Supreme Soviet. In August-September of last year I resigned and was appointed deputy chairman of the Council of Ministers. I took part in the elections for the office of president.

[Zvyagin] And in conclusion, if you can, your wishes for the journal NARODNY DEPUTAT.

[Kokov] That it keep abreast of life and help in the conceptualization and formation of the new authorities. It would be right for the journal under present conditions to assign more space to problems of the executive and the collation and dissemination of the corresponding experience of the regions. This would make it possible to strengthen the interaction of the two branches of power and for the deputies and other of your readers to get a better idea of how the execution of the laws is being organized and how government is being exercised.

There are affectionate feelings toward the journal NARODNY DEPUTAT among a large circle of readers, not only employees of the soviets and deputies, but the electorate also. I wish you success and closer ties to the republics which are a part of the Russian Federation.

#### **Kabardino-Balkaria Official on Reasons for Recent Unrest**

934C0367A Moscow PRAVDA in Russian 20 Nov 92  
p 2

[Article by Zhaman Attayev, deputy minister of foreign relations and ethnic affairs of Kabardino-Balkaria (Nalchik): "After the Shock"]

[Text] The Adyge Khase and Tere associations came into being in Kabardino-Balkaria during the years of so-called perestroyka. Their goal was national rebirth, so that everything fine and valuable that our ancestors had—from their language and culture to their customs and etiquette—would be passed down to us, today's Kabardians and Balkars, and from us to our children and grandchildren. How could anyone say this was not a wonderful goal!

Gradually, however, the leaders of the national movements began changing course radically. Confrontations and conflicts grew more intense each day. The ideas of national self-determination and sovereignization seemed to override everything and everyone.

First there was a conference of the Balkars, who proclaimed the creation of the Republic of Balkaria. Then there were conferences of elders and gatherings of other ethnic groups in the republic in support of the continued unity of Kabardino-Balkaria. Then a conference of the Kabardian people decided to restore the Kabardian Republic.

The people who gathered at these forums of the Balkars and Kabardians elected a national council and a congress and their executive committees.

Many people realized at that time that this was the start of something that could not be called the best period in republic history. Essentially parallel power structures had been set up on ethnic grounds, and their presence meant that there were functionaries who had to earn their salaries.

They did their best. The national council assumed the powers of a government body and announced a boycott of the Kabardino-Balkar presidential election in the Balkar community.

The leaders of the congress went even further. During one stage of the Kabardian conference they asked the delegates to approve draft documents providing for changes in the constitutional order of the republic and for the creation of provisional bodies of governmental authority and administration. An attempt was made to create a national guard....

We have grown accustomed to various types of protest rallies in recent years, but everyone was shocked by what happened in Nalchik in September. We were probably the first to come that close to mob violence, hatred, and resentment and to realize in horror that the people who had led the mob into the square had been making careful preparations for this for a long time for the sole purpose of seizing power.

One evening the inhabitants of our republic saw a shocking news report on their television sets—no, not from some distant conflict zone, but from their own city of Nalchik: Enraged people were attacking the central television station and the palace of soviets and were savagely beating completely innocent young men in uniform.

I have thought about this frequently and have tried to understand the reasons for this long-smoldering conflict. There are many reasons. They include the economic, social, and spiritual crisis that has seized the country and the republic, the pervasive chaos and lawlessness in our society, the tendency to obliterate the very concept of legitimate authority, and the ambivalent behavior of law enforcement agencies.

In my opinion, however, you and I, my dear fellow citizens, are mainly to blame for the tendency of some of our officials to feel so unconstrained and to act so arrogantly, outrageously, and imperiously. It is our passivity and sluggishness—and I would even go so far as to call it our cowardice—that are giving them the opportunity to do this.

Was it not with our tacit consent, for instance, that a few hundred demonstrators effectively dissolved the republic Council of Ministers last year?



The man who said that criminals are gifted at forming strong unions to enhance their own power and capabilities was right, but this is exactly what honest and decent people should be doing.

Yes, this fall will be a disturbing time in our territory. People are disoriented. One question is uppermost in their minds: What next? I think that what comes next should be what the overwhelming majority wants. Recent events have proved once again that the different ethnic groups of Kabardino-Balkaria want to live together in a single republic and are longing for peace, accord, and stability.

We must welcome and encourage dialogue with anyone who wants to take constructive action, who acknowledges and respects the constitution and the law, and who has good ideas and intentions. Government agencies and members of the opposition have to overlook their superficial differences and begin the open and honest discussion of urgent problems. Then we will have no more of the dark days we recently experienced.

#### **Adyge President Interviewed on Relatively Calm Situation in Republic**

934C0366A Moscow PRAVDA in Russian 19 Nov 92  
p 2

[Interview with Aslan Dzharimov, president of Adyge Republic, by Igor Tkhasushev in Maykop; date not given: "Fragile Oasis in War Zone"]

[Text] The people of the Caucasus are experiencing hard times. Adyge, which was recently part of Krasnodar Kray, is now involved in these turbulent events. The words "republic," "president," and "minister" still sound new here. As for the social and economic atmosphere, we have heard that this is "an oasis of stability in the Northern Caucasus." Prices are lower here than in neighboring regions, and the supply of commodities is more varied.

The people in Adyge recently celebrated the 70th anniversary of autonomy and the second anniversary of the republic. The center of the capital was full of people, but this was not a demonstration: It was the usual holiday trade fair, even if it was a little more modest than in the past. Amateur performers put on a concert near the monument to the leader of the proletariat, which still stands in the square here. A Cossack choir sang frankly militant songs to a completely peaceful audience....

We discussed the present situation in the young republic with Aslan Dzharimov, the first president of Adyge.

"What does reasonable sovereignty within the confines of the Russian Federation mean to us? We are acting on the basis of the Federation Treaty, where everything has been precisely delineated," A. Dzharimov said. "But is it working? Not yet. This was discussed recently, in fact, by members of legislative and representative government bodies in Cheboksary."

[Tkhasushev] Perhaps we should begin with one of the questions of the greatest importance in the republic: What is the state of relations with Krasnodar Kray?

[Dzharimov] If we have been in a rush to do anything at all, it has been the conclusion of a comprehensive treaty with the kray. Why? We had to start by eliminating the concerns of part of the population and the misconceptions of some departmental structures. This was certainly understandable, but however much we wanted to rush the process, we tried to act consistently at all times: We concluded agreements between different rayons of the republic and the kray and between different economic entities and restored the earlier productive ties of many years' standing. We tried to prevent the formation of a vacuum in the republic's relations with the kray, because experience has proved how dangerous this can be.

[Tkhasushev] What did Adyge gain from the elevation of the autonomous entity's status?

[Dzharimov] Being independent is not the same thing as being part of a kray. You start to look at yourself in a new way. I, for example, worked for many years in what might be called the power structures of the kray and the autonomous oblast, but it was not until recently that I saw a map of Adyge's mineral resources. In the past, other people controlled our resources and disposed of them without considering our interests. Our forests are a good example. This was one of our first priorities. We established the Adygeys Association and a forestry committee and reduced all cutting by half because we learned that it was jeopardizing the supply of water in the rivers nourishing our steppe zones and Maykop.

Another result of our higher status is our ability to investigate possibilities for the return of the Adyges living in other countries. There are more of them there than in their historical homeland, and I should remind you that they did not leave this homeland of their own free will. We plan to hold the first international seminar of Adyge scholars in Maykop next year. We are hoping for gatherings of specialists, businessmen, etc.

Our new status has given us more opportunities for peace-keeping activity. In conjunction with the people of Krasnodar Kray we have proposed the creation of some type of interparliamentary North Caucasian council or assembly.

[Tkhasushev] Let us move on to the economic situation in the republic. Conditions are difficult in Russia as a whole, and Adyge could not have escaped these difficulties.

[Dzharimov] Events in Russia do affect us. Above all, this applies to the disruption of economic ties. We had to endure all of this. Now that we have managed to keep our economy going and to avoid a disastrous recession and unemployment, we have to give most of the credit to the managers of production units and specialists. There were no radical changes in the managerial structure of

enterprises. The workers themselves decided not to do this, and now the establishment of new ties and the process of respecialization are under way in industry.

Conditions in agriculture have been difficult. The rainfall in Adyge between April and the end of August was twice the normal amount for a year. The Government of the Russian Federation helped us, and although we did not produce enough of many agricultural products—grain, sugar beets, and vegetables—we nevertheless managed to accumulate reserves for the guaranteed provision of the population with milk and groats. We have kept the price of bread at a relatively tolerable level and we are using subsidies to help the population.

[Tkhasushev] What can you tell us about the combination of various forms of ownership in rural areas?

[Dzharimov] The kolkhozes naturally retained their right to exist, although "unions of peasant farms" were formed in some places. Joint-stock companies are being established. There are around 700 family farms, which were allotted over 10,000 hectares of farmland. Some of them have already managed to gain economic strength, but many could not survive and had to give up their land. They did not have enough money for equipment, seeds, and fertilizer. We have no plans for any kind of stepped-up "de-collectivization" programs. The combination of all forms of ownership of the land has helped to stabilize the situation to some extent.

We have serious concerns about the Krasnodar Reservoir, which was once loudly proclaimed the Kuban Sea. On the basis of an arbitrary decision, without any scientific substantiation, 40,000 hectares of the most fertile land were flooded, 20 populated communities disappeared, and 15,000 people were forced to move to new locations.

[Tkhasushev] I remember that. People were saying then that they had managed to survive the military occupation, only to witness the death of their land in peacetime.

[Dzharimov] It has been almost 20 years, and some of those who had to be resettled still do not have acceptable housing. They had lived in their own villages and had their own lifestyle, home and family, and wonderful land, and then they suddenly had to move into cages. It is extremely difficult to recover from this kind of traumatic experience. Another problem was that the reservoir disrupted water distribution processes and degraded the land. And this was once the heart of the Kuban chernozem zone. Drinking water has to be delivered in buckets to some villages where the wells have run dry. The use of chemicals in the rice fields for which the reservoir was built polluted the soil and disrupted the ecological balance. All of this affected the health of the population. Now a regional center has to be built here for the rehabilitation of these people. We are hoping for the assistance of the Government of the Russian Federation.

[Tkhasushev] Now you have a new type of national wealth—good inter-ethnic relations. The republic is rich in accord and cooperation.

[Dzharimov] So far, we have been able to maintain this kind of interaction. Adyge Khase, the Cossack Union, the Slavic Union, and Armenian, Greek, and German organizations have been able to agree on the main things. We seem to have inherited our ancestors' gift for friendly inter-ethnic relations—even after the brutal warfare in the Caucasus! The readers might not know that many Adyges died or were deported at that time. The tsarist government resettled the remaining Adyges at its own discretion. Nevertheless, the interaction of cultures, traditions, and customs began. The custom of mutual hospitality is a good example. My grandfather, for example, used to tell me that the Sorokin family would take care of me if I ever went to Petropavlovsk. Each Adyge family had a Russian host family. We used bazaars and mills in common. Half of the Russian population of some territories spoke Adyge, not to mention the Russian families that were living directly in the villages. The interconnected lifestyles created a strong bond that would be difficult to break.

[Tkhasushev] The analysis of inter-ethnic relations points up two causes for concern. On the one hand, there are clear signs that some forces are deliberately exacerbating these relations. On the other, people are not paying enough attention to regional and ethnic distinctions. Just consider the Confederation of Mountain Peoples, for example. Whatever we might think of this group or of its leader, Musa Shanibova, his arrest in Nalchik caused an immediate uproar.

[Dzharimov] We viewed the Confederation of Mountain Peoples of the Caucasus (which has now been renamed the Confederation of Peoples of the Caucasus, making other nationalities eligible to join) as a social organization, and not as a supra-governmental structure planning to take the place of legal constitutional bodies. As for Shanibova's arrest, this was not just a simple error. We have to remember that this occurred when the Russian parliament was discussing the situation in the Northern Caucasus in connection with the events in Abkhazia. The confederation had to have some connection with these events, and the arrest of its leader immediately evoked vehement reactions on the local level.

[Tkhasushev] Adyge is playing an active role in resolving the Abkhaz-Georgian conflict.

[Dzharimov] First of all, I want to remind you that the Abkhaz are ethnically related to the Adyges and have a similar history. We were once neighbors, and we have always been friends. The Abkhaz belong to the confederation, and the confederation called upon all of the people of the Caucasus to come to the aid of the Abkhaz Republic as soon as it had been invaded by Georgian troops.

I have already mentioned the danger of a political vacuum. One such vacuum came into being here, and in

an atmosphere of extreme emergency. The Russian Government remained silent for several days, and there was no response to our initiatives in the beginning. The confederation filled this vacuum. We should recall that the troops of the Georgian State Council were then literally intoxicated by impunity and self-indulgence. The volunteers from the North Caucasian republics (at least the Adyge volunteers) who came to the aid of the Abkhaz people were acting on the best motives: They were willing to risk their own lives in defense of an unarmed people. I want everyone to know that there were many Russians in our group. Now the Adyge volunteers are coming back home. We have asked them to do this so that we can concentrate all of our efforts on a peaceful settlement.

The republic has taken a principled stance in favor of the peaceful, political resolution of the conflict. I have advocated this at all meetings with the leaders of Russia and the republics, krais, and oblasts of the Northern Caucasus and at sessions of the Supreme Soviet. Experience has shown, however, that appeals alone will not do the job: Vigorous action must be taken to influence the parties, but not by military means.

Yes, there have been even harder times in our history. Today we simply have to rely on our people's vitality and courage. These qualities have always come to the rescue and have always been appreciated in the Caucasus, not to mention elsewhere....

#### **Chelyabinsk Oblsociety Favor Independence for Dniester Region**

934C0363A Moscow ROSSIYSKAYA GAZETA  
in Russian 18 Nov 92 p 7

[Article by A. Usoltsev: "Ural Peoples Favor Independence for Pridnestrovye"]

[Text] During the Chelyabinsk Oblsociety [Oblast Soviet] session an appeal addressed to the upcoming Seventh Russian Congress of Peoples Deputies was adopted. The appeal requested that the issue of recognizing the Pridnestrovskaya Moldavskaya Republic [Moldavia Dniester Republic] be put on the agenda. Chelyabinsk Oblsociety deputies think that recognizing the legal right of any peoples to national self-determination will be the only way a bloody conflict on the banks of the Dniester will be avoided.

A day or so ago a delegation from the still unrecognized Pridnestrovskaya Moldavskaya Republic headed by Igor Smirnov was received in Chelyabinsk.

The delegation included a large group of leaders from industrial and agricultural enterprises. They visited large factories in Chelyabinsk, Magnitogorsk, Zlatoust, Miass, Kopeysk and other cities in the region. Their aim: to establish business contacts with Ural entrepreneurs and financiers.

#### **Election Results to National Deputy Post in Krasnodarsk Reported**

934C0363B Moscow PRAVDA in Russian 17 Nov 92  
p 2

[Article by K. Aksenov: "They Cast Their Vote... By Failing To Appear"]

[Text] An unprecedented tension in the race between candidates and their teams marked the pre-election campaign in the Krasnodarsk region for elections to Russian People's Deputy. The result: Voters did not want to turn out to the ballot box to fulfill what they said earlier was their civic duty. What were the results of the campaign? What distinguished it from previous campaigns?

It was distinguished more than anything by an "invasion" of guests from the capitol wishing to represent the interests of southerners in the country's legislative structures. What is curious is that some of the touring guests showed no disdain in using whatever means to win the favor of voters. To be frank, the situation reached the point of the humorous, strange, and even inconceivable.

In a store window in Krasnodar, for example, I saw K. Borovoy photographed against a huge bas-relief of V. I. Lenin. Konstantin Natanovich's hand was even raised in the same fashion as that of Vladimir Ilyich. A theater of the absurd, a witty fellow sniggered while passing by the photo exposition. In reality, knowing that Borovoy spared no words in dealing out abuses to communists, it was, to say the least, strange to see the two incompatible figures together in the same photograph.

Another fact. Trying to break into the higher echelons of Russian authority, L. Ubozhko, the head of a conservative party, astonished people with a different type of "move." He brought the book he wrote along with him, the tell-tale title of which was in part borrowed from the fuhrer. Lyev Grigoryevich's work was called, "My Struggle [Mein Kampf] with Red Fascism."

Local candidates conducted themselves in a more modest and reserved fashion. The sense was that they did not have the kind of financial opportunities available to them that their visiting rivals had.

What now? Apparently, a repeat vote will be set. Who can guarantee, however, that it will take place? Weary from life's hardships, the people are indifferent to who will occupy the seat of deputy in Moscow. For this reason, the failure of the election was also in effect a kind of sentencing of the policy of reforms working against the people; reforms that have brought the majority to a state of poverty and the threshold of hunger. Listening to the statements made by Russian leaders about a mythical "stabilization," a reduction in prices soon, and a better life, people no longer become roused with indignation and rush out to the square to protest. They simply sit at home and... laugh inconsolably. They are losing faith, and this is the most frightening conclusion that can be drawn from the election results in Kuban.



### Commentary on Recent Murders in Yekaterinburg Business Circles

934C0359A Moscow IZVESTIYA in Russian 17 Nov 92  
Morning Edition p 6

[Article by Aleksandr Pashkov: "Just Like Old Chicago. Shootings Every Day in Yekaterinburg"]

[Text] During the day, in the center of Yekaterinburg in a residential quarter that is home to all the oblast leaders, four people were shot at point-blank range—O. Vagin, who is a well-known figure in business circles, and his body guards. They were fired upon by automatics, then pistols were used to make sure they were dead...

All of this took place literally next door to the oblast Internal Affairs and Security Administration building. A month ago, the president of the European-Asian Company, Ternyak, was shot not far from the building that houses the Administration for the War on Organized Crime.

Business people with access to the oblast's industrial and raw material potential are arranging little show trials for the spheres of influence. And in doing this, they have absolutely no fear of either the authorities or law enforcement organs. Over the last two years, several prestigious figures in crime and, we'll say it this way, the business world, have been murdered or have disappeared. That doesn't even take into account the battered and maimed. Just in recent months there have been least ten victims, all having connections with trade, the service sphere or the adoption of government resolutions. M. Lebedova, director of the central association "Produce," was cruelly beaten right in her office. The head of the Yekaterinburg GTS, V. Panov, was assaulted near his apartment—in the same region where Vagin was killed. People lay in wait for V. Baykovich, director of the "Okean" association, to come home. Then they beat him about the head with sticks. Former Kosmos Restaurant director, S. Sypuchkin, was made an invalid.

The number of "variables" who are doing all of this is, we must say frankly, growing all the time. Although even people who don't read detective novels can guess that if any sort of tendency were discovered in the chain of crimes, and it is clearly visible in Yekaterinburg, then professionals would be able to figure out that variable if they wanted to.

Nor do professionals have their eyes closed when, with the help of guns and fists, organized crime attempts to share spheres of influence, or, more simply speaking, to take away from somebody what took years to create—on the contrary, they are conducting their own trials. The trial of former KGB counter-espionage Officers S. Baklanov and Ye. Stepanov has already been going on in Yekaterinburg for a relatively long time. They are accused of taking bribes in return for providing foreign passports. In their time, these two officers signed a letter in which 64 KGB employees called for a reform of this

dangerous structure. And this is the level of professionalism of the people accusing them today: when the accusations made became public, the court was dealt its most powerful trump card—recordings of bugged conversations that took place in the counter-espionage agents' offices, as well as the reports of "foreign observation" operatives.

Today, nearly half the membership of the former KGB is employed in commercial structures. I cannot judge whether this was according to plan, or if the officers actually just go where they are best appreciated. However, it seems to me that, having observed from inside the actions in the war for newly-appearing capital, former spies and counter-spies cannot help but have an idea of the deployment of forces in Yekaterinburg-Chicago. There, indubitably, they have their own disposition and internal laws. And certainly, within the new deployment of mafia structure forces, murders, beatings, torturing rarely occur without a reason. I do not believe that the internal affairs and security organs are losing touch for good with their former colleagues or that they are so weak that they think of themselves as whipping boys. It seems that one must assume that they have grown together to such an extent with the people they are supposed to be fighting that a certain "status quo" has appeared in society that presents a danger for the existence of our statehood, itself.

In talking with people who are, one way or another, conducting investigations into these sensationalized murders, you catch yourself thinking that probably the problem does not lie in some specific union of organized crime and law enforcement organs, but in those people's psychological perception of the facts of the murders themselves. It was not Ternyak, a Russian citizen, who was shot, but a person who had had "past ties with the criminal world." Again, it wasn't a Russian citizen who was slaughtered, but a "seller," a "boss," who has annoyed a lot of people. They say, let them work it out among themselves. The most important thing is that they keep away from honest citizens. This is a dangerous way of thinking for people whose job is to protect all the citizens of the state.

## INTERNATIONAL AFFAIRS

### Decree on Use of Foreign Credits

935D0099A Moscow ROSSIYSKAYA GAZETA  
in Russian 11 Nov 92 p 5

[Russian Federation Government Decree No. 848, of 5 November 1992, (Moscow): "On the Use of Foreign Credits Granted to the Russian Federation on the Basis of Intergovernmental Agreements, and the Procedure for Settlements With Them"]

[Text] In order to improve work related to the enlistment and use of foreign credits, increase credit funds in foreign currency, and provide for prompt repayment, the Russian Federation Government decrees:

1. To establish that some of the foreign credits granted to the Russian Federation on the basis of intergovernmental agreements not used for the purposes specified by Decree No. 173 of the Russian Federation Government of 19 March 1992, are subject to distribution through competition among enterprises (organizations) of the Russian Federation or use under commercial conditions.

The volume of foreign currency credit funds used for competitive distribution, the list of goods and equipment purchased with them, and also the volume of credit resources intended for use under commercial conditions are approved by the Currency-Economic Commission of the Government of the Russian Federation.

Competitive distribution of credit resources is carried out on the basis of targeted priorities developed by the Ministry of the Economy of the Russian Federation in conjunction with the Ministry of Foreign Economic Relations of the Russian Federation and the Ministry of Finance of the Russian Federation. The competition is held among interested enterprises (organizations) that are residents of the Russian Federation.

2. To assign to the Ministry of Foreign Economic Relations of the Russian Federation the practical work for competitive distribution and use of foreign currency credit resources on a competitive basis.

To instruct the Ministry of Foreign Economic Relations of the Russian Federation, the Ministry of the Economy of the Russian Federation, and the Ministry of Finance of the Russian Federation in cooperation with the Vneshekonombank [Foreign Economics Bank] and the Vneshtorgbank [Foreign Trade Bank] of Russia within a month's time to develop and submit for the approval of the Russian Federation Government a draft statute on the procedure for competitive distribution and use under commercial conditions of foreign currency credit resources, and also settlements with them.

3. The enterprise (organization) that has received the right to use foreign credit to buy commodities of an investment nature concludes an agreement with the bank keeping accounts with the foreign creditor; before the acceptance of the contract, pays no less than 15 percent of the value of the contract; and pays off credit, including accrued interest, bank commissions, and other expenses by deadlines and in amounts determined by the credit agreement.

The enterprise (organization) that has received the right to use foreign credit makes all payments in foreign currency or rubles (by its choice) at the rate quoted by the Central Bank of the Russian Federation at the time of payment.

An enterprise (organization) that buys commodities of an investment nature with foreign credit which is repaid with centralized foreign currency resources, before the acceptance of the contract for financing, makes the advance and cash payments specified by the agreement

and repays the credit by the deadlines and in the amounts determined by the credit agreement.

4. In settlements for commodities of a noninvestment nature purchased with foreign credit, the enterprise (organization) pays the full cost of these commodities in foreign currency or rubles (by his choice) at the rate quoted by the Central Bank of the Russian Federation at the time of payment, taking into account subsidies for centralized imports granted by the Ministry of Finance of the Russian Federation.

5. To instruct the Ministry of Finance of the Russian Federation, the Committee of the Russian Federation for Price Policy, the Ministry of Foreign Economic Relations of the Russian Federation, and the Ministry of the Economy of the Russian Federation to develop and submit a policy for subsidizing imports with settlements for centralized import purchases in keeping with the indicated credit agreements.

[Signed] B. Yeltsin

#### **Edict on 'Gazprom' Joint-Stock Company**

935D0099B Moscow ROSSIYSKAYA GAZETA  
in Russian 11 Nov 92 p 5

[Edict of the president of the Russian Federation: "On Transformation of the State Gas Concern Gazprom Into the Russian Joint-Stock Company Gazprom"]

[Text] In order to provide reliable gas supply for consumers of the Russian Federation and effective functioning and development of the country's Unified Gas Supply System under the conditions of privatization of state property, I decree:

1. To the Russian Federation Government to institute on the basis of the State Gas Concern Gazprom the Russian joint-stock company Gazprom (RAO Gazprom).

2. To make the Russian joint-stock company Gazprom responsible for providing for:

reliable gas supply for consumers of the Russian Federation and also deliveries of gas outside Russia under interstate and intergovernmental agreements;

a unified scientific-technical and investment policy for reconstruction and development of the Unified Gas Supply System;

construction and financing of branch gas lines for gas supply for rural areas;

monitoring of the functioning of the country's Unified Gas Supply System;

access for any producer to the country's gas transport system in proportion to the volume of gas extracted by them on the territory of the Russian Federation with observance of the unified price regulation mechanism.

To these ends, to establish that the Russian joint-stock company Gazprom will create a unified stabilization and development fund for the maintaining and developing capacities for extracting gas and condensate (petroleum) and financing general branch and other expenditures with deductions from the production cost of the products and profit remaining at the disposal of the Company's enterprises.

The amount of the deductions into the unified fund for stabilization and development from the production cost of products is coordinated by the Company with the Ministry of the Economy of the Russian Federation and the Ministry of Finance of the Russian Federation.

3. To establish that upon institution of the RAO Gazprom its charter capital will be formed from:

100 percent of the capital of enterprises consisting of property of the Unified Gas Supply System that are federal property (Appendix No. 1);

controlling blocks of shares of joint-stock companies that are formed (Appendix No. 2);

shares of participation (packages of shares) belonging to the state concern Gazprom in the property and foreign enterprises, associations, and organizations, and also other property assigned to the Gazprom concern that is not prohibited for privatization.

4. To establish that all shares of the RAO Gazprom are common and as of the time of the institution of the RAO Gazprom belong to the Russian Federation.

After three years from the time of institution of the RAO Gazprom the share the portion belonging to the Russian Federation should not be less than 40 percent of its shares.

During 1992-1993:

up to 15 percent of the shares of the RAO Gazprom are sold according to the procedure for closed subscription to members of the labor collectives and administration of enterprises listed in Appendix No. 1, under preferred conditions established by legislation of the Russian Federation on privatization;

no less than 20 percent of the shares of the RAO Gazprom are sold to citizens of the Russian Federation for privatization checks.

To the Russian Federation Government when preparing the draft state program for privatization of state and municipal enterprises in the Russian Federation for 1993, to prepare proposals concerning privatization of the RAO Gazprom, specifying the inclusion in it of a section reflecting the peculiarities of the structural transformations and privatization of the RAO Gazprom.

5. The transformation of the enterprises indicated in Appendix No. 2 into subsidiary joint-stock companies of the RAO Gazprom is to be carried out according to the

established procedure. No less than 51 percent of the shares of the aforementioned companies are included in the charter capital of the RAO Gazprom.

Members of the labor collectives and administrations of the transformed enterprises are granted the right to acquire shares of the corresponding subsidiary joint-stock companies under conditions of Version 1 specified by Point 5.4 of the state program for privatization of state and municipal enterprises in the Russian Federation for 1992. If a labor collective selects Version 2 specified by the aforementioned program, members of the labor collective and administration are sold up to 50 percent of the shares at their nominal value.

6. Enterprises of Yakutgazprom and Norilskgazprom included in the Gazprom Concern are to be privatized in keeping with the State Program for Privatization of State and Municipal Enterprises in the Russian Federation for 1991 and the edict of the president of the Russian Federation of 1 July 1992, "On Organizational Measures for Transforming State Enterprises and Voluntary Associations of State Enterprises into Joint-Stock Companies."

7. From all shares of the RAO Gazprom belonging to the state after three years no less than 50 percent of the dividends are to remain at the disposal of the RAO Gazprom and be used for financing technical retooling, reconstruction, and expansion of production and also for conducting environmental measures.

8. The authority to control shares of the RAO Gazprom belonging to the state is exercised by the board of directors. The Russian Federation Government is to form the board of directors, including representatives of state administrative organs in it.

Until the formation of the board of directors of RAO Gazprom the functions of managing the activity of RAO Gazprom are to be performed by the board of the Gazprom Concern.

9. To establish that the Russian joint-stock company Gazprom is the legal heir to the property rights and obligations of the state gas concern Gazprom, including its rights to use land, minerals, natural resources, and also the rights and responsibilities under agreements concluded by the concern.

10. Taking into account the monopolistic position of the RAO Gazprom in the Russian gas market, to deem it necessary before 1 January 1993 for it to conclude a production contract with organs of state administration authorized by the Russian Federation Government. To specify in the production contract the strategic directions and state guarantees of the activity of the RAO Gazprom for 1993-1995, the mechanism for regulating gas prices, and other conditions that provide for stable management and fulfillment of the Company's obligations to the state.

11. To the State Committee of the Russian Federation for Management of State Property and the Ministry of Fuel and Energy of the Russian Federation with the participation of the Russian joint-stock company Gazprom within a month's time, to prepare the company's by-laws and submit them for the approval of the Russian Federation Government.

12. To retain for the Russian joint-stock company Gazprom the premises it occupies at the following address: Moscow, Ulitsa Stroiteley, D. 8, korp. 1.

13. The present edict is enacted according to the procedure established by Point 3 of the decree of the Fifth Congress of People's Deputies of the Russian Federation of 1 November 1991, "On Legal Support for the Economic Reform."

[Signed] **President of the Russian Federation B. Yeltsin**  
Moscow, the Kremlin  
5 November 1992  
No. 1333

#### APPENDIX No. 1

##### LIST of enterprises, associations, and organizations of the Unified Gas Supply System included in the RAO Gazprom

Urengoygazprom Production Association  
Nadymgazprom Production Association  
Yamburggazdobycha State Enterprise  
Orenburggazprom State Enterprise  
Astrakhangazprom State Enterprise  
Severgazprom State Enterprise  
Kubangazprom State enterprise  
Surgutgazprom State Enterprise  
Tyumentransgaz State Enterprise  
Lentransgaz State Enterprise  
Mostransgaz State Enterprise  
Tomsktransgaz State Enterprise  
Permtransgaz State Enterprise  
Uraltransgaz State Enterprise  
Bashtransgaz State Enterprise  
Kavkaztransgaz State Enterprise  
Volgotransgaz State Enterprise  
Yugtransgaz State Enterprise  
Tattransgaz State Enterprise  
Samaratransgaz State Enterprise  
Volgogradtransgaz State Enterprise  
Tyumenburgaz State Enterprise  
Pripolyarburgaz State Enterprise  
Gazekspost State Foreign Economic Enterprise  
Tyumenniigiprogaz Institute  
VNIlgaz Institute  
Tyumengazsnabkomplekt State production commercial enterprise  
Gazobezopasnost Firm  
Informgaz Firm  
Novourengoy directorate of the petroleum, gas, and chemical complex under construction  
Central station for technological communications  
Tyumengazsvyaz communications administration

Central production dispatcher administration  
Administration for gas supervision in the Russian Federation  
Gazkompromselstroy production-commercial association

#### APPENDIX No. 2

##### LIST of subsidiary joint-stock companies of the RAO Gazprom

Burgazgeoterm state enterprise  
Gazmashapparat Association with enterprises included in it  
Gozpromgeofizika Association with enterprises included in it  
Gazenergoservis state enterprise Orgenergogaz state enterprise  
Spetsgazavtograns state enterprise  
Gazstroydetal state enterprise  
Gazavtomatika state enterprise  
Volgogradneftemash scientific production association  
VNIIpromgaz state scientific production enterprise  
Giprogaizsentr institute  
VNIPIlgazdobycha institute  
VNIIEgazprom institute  
Sevkavniigaz institute  
Giprospeitsgaz institute  
Elektrogaz state enterprise  
Zapsibgazpromstroy state planning industrial construction enterprise  
Spetsgazremstroy state construction and installation enterprise  
Tsentr gaz state construction and installation enterprise  
Volgogaz state construction and installation enterprise  
Urengoystroygaz state construction and installation enterprise

##### Aviation Exports to Former East Bloc Assessed

934A0190B Moscow NEZAVISIMAYA GAZETA  
in Russian 27 Oct 92 p 4

[Article by Aleksey Ksenin, under rubric "Aviation": "Russian Air Technology for Export: Success Is Possible: What Is Needed Is Coordination"]

[Text] The successful export of Russian air technology is completely possible. That is the point of view of representatives of the Russian Aviaekspost Russian state company, which has already been working for approximately 30 years in the foreign market for flying apparatuses. As an NG [NEZAVISIMAYA GAZETA] correspondent learned, company specialists do not consider to be especially fearsome the state of affairs of our aircraft builders in the East European countries, despite the practically complete loss of partners in that region after the collapse of CEMA. During the collapse, as sometimes also occurs when a married couple divorces, it seemed that our partners set themselves just one goal—"with anyone else but you." For the sake of justice it must be said that a rather considerable share in this belongs to the former Union. We, in particular, were



tardy in going out to those countries with new technology, and also, for a number of reasons, the quality of our technology left much to be desired. But now, when the Union no longer exists, but instead there is a new Russia, with a consideration of those good aspects of the reciprocal relations that undoubtedly did exist between our countries during the entire course of history, with our ground-service system that basically remained intact in Eastern Europe, with the existence there of personnel who had been trained with our help, etc., even there one can see chances for shipments of air technology from Russia. Although, of course, much will also depend upon Aviaeksport itself, which represents, incidentally, the interests of 300 enterprises not only in Russia, but also of all the CIS states that, during this turbulent period, did not break their cooperative ties. Incidentally, despite the recent plans for shipping Western air technology to the CIS states and the creation there of air companies with the participation of Western firms, according to Aviaeksport estimates there also exists there favorable prospects for new domestically-produced air technology. The basic arguments in its favor are: the great need for airplanes as a result of the high degree of depreciation and actual wear and tear of the Aeroflot equipment, the lower price, as compared with the Western price; as well as ground-service systems that were designed to service domestically-produced technology. Of course, this situation can be changed to the benefit of Western companies, for example, by the granting of large-scale specifically-earmarked credit to pay for their technology. But the terms by which the CIS countries will obtain such credit are, fortunately or unfortunately, unclear.

Despite the rather rosy picture described above, a very strong threat for Russian export today is the lack of coordination in the policy of individual exporters of air technology other than Aviaeksport. Currently, as the expression goes, the only person who is not trading in it is the lazy one. Moreover, at times it is simply at dumping prices, as a consequence of which Russia's losses during the past two years came to a million dollars. In addition, shipments for export by salesmen from, for example, small enterprises are being carried out without the post-sale service package (personnel training, etc.), which they are simply incapable of providing. Frequently it is even without the providing of the technical documentation necessary to guarantee flight safety. There have already been instances that led to human victims, not even to mention all other kinds. And this is undermining the prestige abroad not only of Aviaeksport—which I re-emphasize is a state company—but also of Russian technology itself, and those who planned, designed, and built it. In order for Russia to implement successfully its potential for exporting air and space technology, it is probably still necessary to introduce some kind of state regulation. Of course, not that monopoly in foreign trade that the former USSR had, but it will obviously be necessary not to forgo completely the state's monitoring of its own foreign trade.

### Commentary on Intelligence Activity in France, Defectors

934C03694 Moscow KURANTY in Russian 27 Oct 92 p 4

[Article by Mikhail Shekhanov: "A Spy's Path Is Strewn With Rose Petals"]

[Text] Our foreign intelligence service continues to snatch bread from the masters of the detective genre.

Right now, for example, all of France is living through the upheaval of a scenario written in Moscow entitled, "The Theft of French Military Secrets by Student Serge."

In brief, the plot of the real-life detective story looks about like this: A Soviet diplomat who in the spirit of a Parisian assumed the name, "English student Serge," began to visit University of Paris-11, where F. Tamperville, an impoverished engineer and an employee of the French Nuclear Energy Commission, was moonlighting as a lecturer. Naturally, a person with a conspiratorial name like Serge would promise to solve the engineer's financial problems in exchange for certain information. The Frenchman turned out to be rather weak, and the sound of the rustling of currency drowned out the chords of the "Marseillaise" for him. The two sides subsequently observed all the points of their agreement. Meeting in cozy little restaurants in the outskirts of Paris, they would exchange photo-copies of secret documents about the latest generation of French rockets and nuclear tests on Mururoa Atoll, for packets of 500-Frank notes. In all, according to certain assurances, the indigent instructor gobbled up 2 million Franks, and would have gobbled up more had he not been arrested, as always, not in time. For further color one might add, for example, that in preparation for the next encounter, "our man" would scatter rose petals along all paths from the traitor's house to the metro station, while the Frenchman would very unaesthetically drop an apple core or orange peelings next to a designated lamp post.

But everything goes on. The arrested Tamperville is now giving evidence in the interrogation chambers, very likely not fully understanding that his arrest is a great service not so much to his fellow-countrymen, as it is to those nurtured by the party and the komsomol, who began their foreign careers as Soviet "diplomats," and who have gone on as Russian diplomats. First, Vladimir Konoplev "chose freedom" in Brussels, while this summer Colonel Viktor Oshchenko, an advisor, departed Paris on an "indefinite business trip" to London. Oshchenko, like Oleg Gordievskiy, had already been toiling honestly for several years for competing intelligence services, basically the English.

Naturally, the "star" diplomats did not leave empty-handed, and have made their piece de resistance the exposure of our intelligence system in France. Oshchenko took special pains to do so, having quite simply described the plan of activities of Russian special services from the Seine to the Loire. The French SDT was not constrained to wait for long, and has prepared dossiers for the immediate expulsion of four of our "diplomats." We are not speaking, as we see, of a major

action such as the one the Soviet Embassy in Paris suffered in early 1983, when a whole caravan of busses carried the expelled diplomats, along with their offspring and household, to Charles de Gaulle Airport. Armed with the tips from Oshchenko, the French special services are delivering their blows in doses, which for all of that are no less painful.

Characteristically, the very same actions were taken in recent weeks against Russian special services in several other countries as well. And they appear to be another "Chinese Warning" [sic] to Primakov's household.

But another thing is remarkable as well. Konoplev, Oshchenko and other traitors of the "new wave" have few chances to explain their step in terms of higher considerations, such as the desire not to provide comfort to their totalitarian leaders. There is also a coincidence on the historical plane. It so happens that in connection with the Caribbean Crisis [1962] the West is currently remembering another colonel, Oleg Penkovskiy, who provided Kennedy all the details of Khrushchev's bluff. The alarming tendency for "leaks" is still with us.

#### **Television Accused of Biased Portrayal of Israelis**

934C0369B Moscow SOVETSKAYA ROSSIYA  
in Russian 19 Nov 92 p 3

[Article by B. Afanasiev: "On the Occupiers, With Tenderness"]

[Text] It is not hard to notice that if television shows Arabs, they are nothing less than villains, whereas Israel is a place of heavenly tabernacles, where all is well and there are no problems at all. Meanwhile, on the occupied West Bank of the River Jordan and in the Gaza sector, the blood of Arabs flows constantly; it is already nearly five years already that the Israelis, soldiers and colonists armed to the teeth, have been trying to put down the Palestinian uprising. They are killing Arab children, and tormenting young Palestinians with poison gas so that they can never have children. Arab prisoners are held in torture chambers without trial and investigation for years, and are cruelly tortured in sophisticated ways. The rights of man, which the gentlemen of democracy look after so carefully, are violated every day. But television cites resolutions of the UN General Assembly and Security Council only when it is necessary to tear down Lebanon, Iraq or some other Arab country. And Israeli soldiers, in their conception, are in all respects fine people. That is how they were presented on Military Review [Voennyi revyu] which was shown on the First Program from Ostankino late at night. These are altogether likeable boys, who receive visits from their parents from time to time to nourish their weary souls, and to help them, as they say, adjust to their new situation. Such are the deep emotions of the occupiers, who should have departed all occupied Arab lands long ago!

## POLITICAL AFFAIRS

### Chornovil on Envoy Appointment Controversy

93UN0346A Kiev NEZAVISIMOST in Russian  
13 Nov 92 p 3

[Article by L. Khazan: "Vyacheslav Chornovil: 'I shall continue to strive for the president to refute me in such cases.'"]

[Text] Disturbing events are occurring in Lvov. Some of the nationalists holding extremist views, who broke with Rukh, under the leadership of Valentin Moroz, launched an attack on the Rukh council engaging in hand-to-hand combat with the militia. At his press conference on 11 November Vyacheslav Chornovil commented on the situation.

"These people wanted to split up Rukh as long ago as the Third Congress. At that time they spoke from pro-government positions. Now they did a somersault, becoming bitter enemies of the president. In his last newspaper interview, for example, Valentin Moroz declared that Kravchuk organized the murder of political prisoners Vasil Stus and others. It is up to Leonid Makarovych as to how he reacts to this accusation. He may not even pay any attention to it. But look at what an upheaval has taken place in the views held by these people.

"That is readily explained: they sought a platform for the purpose of carrying out their intentions—to enter the power structures. A behind-the-scenes pre-election struggle is under way. Utilizing Rukh structures, like a tarpaulin for leaping into power, they launched an attack on Rukh."

Subsequently V. Chornovil reported that re-registration of members took place in Rukh and today there are around 50,000 of them. The degree of influence exerted by this organization, he said, is also evidenced by the resignation of Fokin's government. "As we see today, we did the proper thing. Even the defenders of Fokin are starting to comprehend that as more truth surfaces indicating what that government was engaged in."

Answering a question about the referendum on an early dissolution of the Supreme Council, the Rukh leader reported that according to the latest not very accurate information around a million signatures have been collected. It is possible that if an sufficient impetus is provided for the campaign by 21 December it will be possible to collect three million signatures, after all.

In response to a question from a NEZAVISIMOST correspondent, as to what the attitude of Mister Chornovil is toward UNSO [Ukrainian People's Self-Defense Forces], we received the following response:

"I have a negative opinion of UNSO. It has some good people who are patriotic, but they are not being led properly. In general the organization which is being

created for the purpose of engaging in unlawful acts, determines on its own what is beneficial for Ukraine, and what is not, and implements its ideas using illegal methods—that constitutes poor organization. I see a certain danger in the existence of ultranationalistic forces and not because their violent techniques may reach unprecedented scale, but because they provoke opposing forces. They sow the seeds of alienation between eastern and western parts of Ukraine and promote the rise of chauvinism and communism."

Regarding the fighting between religious factions V. Chornovil said that Rukh stands for religious tolerance even though, as a national-democratic organization, he feels closer to Ukrainian national churches—the Ukrainian Autocephalic Orthodox Church and the Ukrainian Greco-Catholic Church. "We are opposed to any intervention by the state, power structures, or deputies in religious affairs. Attempts to do something by artificial means, and particularly by deception, will bring no good. Which is what is currently happening with the organization that calls itself the Ukrainian Orthodox Church - Kiev Patriarchate.

"On 7 November there was a "small synod" in the course of which attempts were made to defrock Patriarch Mstislav. The title of patriarch was offered to Vladimir who was, as commonly known, the archenemy of the Ukrainian Orthodox Church - Kiev Patriarchate. He refused. I believe that in such sacred matters it is unworthy to descend to the level of such games. I think that in time we will arrive at an independent Ukrainian church. But it is necessary to proceed toward that in a normal manner."

Answering a question of interest to many journalists concerning the refutations made by the president the previous day Vyacheslav Chornovil provided the following explanation:

"The president did not refute everything. He did not refute, for instance, the appointment of Masyk envoy to Scandinavia. At the same time this is a rather strange appointment—hasty, and, as I was told at the Ministry of Foreign Affairs, a "political" and not a diplomatic one, in the absence of a minister.

"I am very glad that the president refuted two of my reports. I will also be glad if he would refute my report about the new appointment of Slepichev. I do not know why a presidential structure is being created over the Ministry of Foreign Economic Activity, especially one headed by a figure as odious as Slepichev. The fact that preparations for the appointment of Pekhota to Spain were under way is correct, without going into details, I can say that this information comes from reliable sources. The appearance of that information and the resulting reaction from certain countries helped to prevent this appointment. This is good. I shall continue to strive for the president to refute me in such cases."

**Continuing Crimean Tensions Portrayed**

93UN0310A Kiev NEZAVISIMOST in Russian  
11 Nov 92 pp 1, 3

[Article by V. Savchenko, NEZAVISIMOST correspondent for the Crimean Oblast: "Is an Uninvited Guest Better Than a Tatar?"]

[Text] There is the usual calm before the storm in the Crimea. Few people doubt that it is not far off. But I am talking about the calm. It is in this period that the Tatar card is being played with challenging constancy in the Crimea. However, each time it is getting riskier and more open. But at the beginning of October, the pause caused by a regrouping of forces of the RDK [Republican Movement of Crimea] was used more effectively than ever before. So what is behind all of this, and who breaks the bank every time in this dangerous game?

To begin with, we will try to see, according to the example of the ancients, to whom this is advantageous.

Obviously, not to the Tatars, who have been hit by an unprecedented outbreak of xenophobia and the animosity of the Crimean militia. Although Kravchuk and Bagrov have ascertained: Actually, not everything is going smoothly with their resettlement. The majlis, the makeweight for everything, "received" the instituted criminal proceedings with a virtually predetermined outcome. There is the militia—114 employees who sustained injuries of various degrees of gravity, and General N. Gamiyev—it is not known yet on whom he will vent his anger. The Crimean parliament received the hope of establishing the nucleus of a future army consisting of two regiments and a popularity rating that was so low that it even decided to stop broadcasting its meetings. The Republican Movement of the Crimea successfully conducted a regrouping of forces, after getting rid of "Impeks-55," which was under the procuracy cap, and it once again made points after declaring itself to be the chief defender of the interests of the Crimeans. The Union of Communists of the Crimea has practically finished the period of organizational formation, selecting for its ranks 20,000 confirmed Bolsheviks, after which the two fraternal movements exchanged assurances of friendship and gratitude. The president of Ukraine and the Crimean speaker, who spoiled relations somewhat in the recent past, spoke in an amiable duet at a short briefing. The state of Ukraine attracted the attention of the international community for the first time in connection with the serious interethnic clashes, and it did not receive any political dividends. This is what today's reality is like.

I will not repeat, I will only mention, that after the fall of the Union, the problem of the Crimean Tatars hung in the air. But how are we to understand the position of Ukraine, which, in fact, assumed the responsibility for the fate of the deported people, shifted it to Crimea, and completely put it out of its head. But no. They remembered the Tatars when they put the Crimean parliament, which desired its own statehood, in its place. Then they

even gave the floor to Mustafa Dzhemilev, the chairman of the majlis. Afterwards—it was according to the principle: The Moor has done his duty.... Especially as at one time everyone approved the allocation of 7 billion coupons for these needs. By comparison with the task, the figure is not just meager—it cannot even be discerned under a microscope. In the calculation of the Muslims, and according to Crimean prices, this could buy a box of vodka and a quick snack per capita. But to build new streets and rayons, to create jobs, to provide a cultural life.... But there is no point in continuing.

It is necessary here to make a slight digression. The trouble is that we will in no way master a simple truth. The Crimean Tatars are a nation. The most conventional nation with its own poets and scholars, criminals and corrupt officials, former dissidents and former party nomenklatura. And the mutual relations among them are no simpler than among Ukrainians and Russians. But, then, our politicians, and sometimes journalists as well, continue to treat the Crimean Tatars as some kind of a semilegal organization that only yesterday declared that it was coming out of the underground. This is the source of the misunderstanding of the problem, which inevitably leads to serious political mistakes. Thus, the Crimean parliament adopted a well-known decree concerning the unconstitutional activity of the majlis. President of Ukraine L. Kravchuk also called it illegal. The initial cause was the refusal of the majlis to register as a public organization, for the Tatars themselves consider it to be an organ of national self-government. From a juridical standpoint, the problem is not as simple as it looks at first glance. The nonfulfillment of the demands of the authorities is a violation of the law of Crimea and Ukraine, but to implement them means to reduce the Crimean Tatar people to the status of a social organization. The law of Ukraine on the status of the Crimean Tatar nation does not in any way resolve this problem. Thus, a Ukrainian parliament, the current one or a new one sooner or later will still have to correct this flaw in legislation.

But this is far more complicated for the Crimean parliament. To sit at a negotiating table with the majlis is for the Crimeans tantamount to the acknowledgement of the illegitimacy of its own Supreme Soviet. Here, it is necessary to return to the moment of the miraculous transformation of the Crimean Oblast Soviet to a Supreme Soviet. In preparing for this event, the Crimeans executed a small apparat maneuver, whose essence, incidentally, reveals the political style of Nikolay Bagrov. A national-cultural society of deported peoples was quickly registered, and, in the best nomenklatura traditions, suitable candidates were selected and approved who were also certified as members of the Supreme Soviet. But the item with the designation of deputies did not get past the Crimean Tatars. They declared that the distribution of deputy seats had no relationship to culture, and that no one had endowed their society with such rights. And six of the unfilled blank forms remained unused.



There was also confrontation along the line of the majlis and those Tatars who joined the friendly apparatus of Crimean officials. But after all, it is the latter who in fact not only are in charge of the billions that are allocated by Ukraine, but who generally are recognized as the only proponents of the interests of the Crimean Tatars.

However, this confrontation has recently intensified. Consultations between the majlis and the committee on the affairs of deported peoples were stopped; at the same time, the mutual reproaches became less frequent, but the positions more irreconcilable. Although the rate of return of Tatars to Crimea in comparison with last year decreased up to 62-63 percent, the problems of housing and employment are only getting worse. The result is accusations of the committee of irrational use of resources. Examples are cited. Thus, in the words of one of the sides, Lentun Bezaliev, the deputy chairman of the Crimean Council of Ministers, received an order for an apartment that bypassed existing rules. In any case, the scandal that followed this did not add to the prestige of the deputy chairman of the Council of Ministers among the rank and file Tatars. But here is a report of the newspaper SOROKA, which is remote from politics: People's Deputy Memetov is building his own three-story palace on the southern coast of Crimea not far from Vorontsovskiy Palace. Incidentally, neighboring Kashpirovkiy's dacha. Thus, Tatars who are living in tents, trailers, and makeshift dwellings do not believe very deeply that it is Memetov who is defending their interests better than anyone else in the Crimean parliament.

But they do believe the majlis. And while some have the authority and the resources, the others have something more—authority among the Tatars. Whether anyone likes this or not, this is the political reality which, if it is not considered, means only aggravating the situation. Which, however, is what is occurring.

Moreover, it is occurring deliberately, because the scenario of today's events was written back in August-September 1990. Everything was also the same then: homeless Tatars, squatting, and the indignation of local residents. It was at that time that there was talk about a state of emergency. Incidentally, Yu. Meshkov, the current leader of the well-known RDK, demanded the use of force, up to and including tanks. The press hindered the Crimean authorities from bringing this scheme to a political end.

This plan was also not implemented in the autumn of last year—it was prevented by the GKChP [State Committee for the State of Emergency], to which the Crimean leadership had a very direct relationship. Thus, it became necessary to wait another year. Incidentally, aggravation of the situation unfailingly occurred at the end of summer and the beginning of autumn. The fact is that in the spring and in the summer, the Tatars generally expected that the question on housing would be resolved through legal procedure. Toward the end of summer, it became clear that the time for construction had passed, and, as before, there were no plots of land.

The result was squatting and the entirely understandable reaction to it by the local residents. So there was a situation when one little spark was enough. This time, the little spark was the destruction of the makeshift settlement of Krasnyy Ray.

I do not want in any way to justify the events of 6 October. Breaking windows, even in the former party oblast committee, is not a method of resolving problems in civilized countries. We will not confuse hooliganism with politics. The persons who were responsible for this outrage should be punished. But let it be those who are really guilty. The videotape shows that there were those among the Tatars who stood in the path of the infuriated crowd and, in the end, they did not permit a storming of the building. As there were others who started the disorders. The former, probably, should be thanked, and the latter should be punished. Especially as an investigation exists for this. Especially as the procuracy and a deputy commission which, by the way, was joined by the very same Meshkov and his ilk, are also conducting their own investigation.

But it is also impossible not to consider the fact that the situation itself was created by the Crimean authorities. Up until now, these questions remained unanswered. Who issued the order to draw militia forces toward Krasnyy Ray ahead of time? Why were the participants in the rally not informed about the decision to free the Crimean Tatars seized there? How did it happen that the posted militia cordon was in fact left without a command element?

We will not forget that one of the strongest fragments of totalitarianism was based on the peninsula. And it is badly in need of enemies—it simply cannot exist without them. The Tatars will be suitable. Although it is clear that it was not they who cranked up prices and ruined the economy. There is not even the smell of either democracy or of a multiparty system in Crimea. Firmly protecting their seats, the party apparatchiks know only one method of leadership—administering. And this is not their fault, like that of a pike hunting for carp. That is the way they were taught and that is the way they were trained, and their essence and life are in this. Of course, some kind of a camouflage is created. It would seem that there are many parties and plenty of entrepreneurs. But all of this is created on the model of representatives of repressed people in parliament. One and the very same people are pulling at the thread. We recall how the Supreme Soviet passed a resolution that rendered pointless a referendum on the state independence of Crimea. And afterwards, N. Bagrov declared that it was better to institute a moratorium that the same Supreme Soviet could cancel at any moment. And they voted again. Nonetheless, they left a lever that made it possible to bring pressure to bear on or to flirt with both Ukraine and Russia. If there is tension, that means harsh measures (read administrative) are warranted. So, even the managers—the leaders and the native fathers—are hurling thunderbolts and gamboling to their utmost in the usual elements. The more tension, the harsher the

measures, and a state of emergency, with automatic weapons in the streets, when any problem can be solved easily and simply with their help.

But the Tatar problem highlighted one more interesting aspect. Few people know that while the Crimeans contented themselves with filtered strict censorship and, therefore, with delayed television and radio broadcasts, there were factual reports about the October events daily on Turkish television, and pertinent pieces were being shown. And as a consequence, there were rallies of many thousands in many cities. Afterwards, Khimsameddin Dzhindoruk, the chairman of the National Assembly of Turkey, flew to Kiev, where he met first with Dzhemilev and R. Chubarov, the chairman of OKND [Crimean-Tatar National Movement Organization]. Turkish parliamentarians and A. Germen, ambassador to Ukraine, took part in the meeting. In particular, it was ascertained that the Crimean authorities tried to obtain help that was promised by Prime Minister S. Demirel to the majlis. It was recommended that the Tatars work more actively with the Turkish Government, and officials of the embassy broached the question of opening a consulate in the Crimea. After this, Dzhindoruk met with L. Kravchuk. Thus Turkey displayed an interest in the Crimean region for the first time.

Well, then, what is to be done? If the proposal about a repeated deportation of the Tatars is not taken seriously, then it is necessary to live with them. But it is necessary for all of the interested parties to come to an agreement on how to live. This means that it is necessary to sit down at the negotiating table. The legitimacy of the majlis, which neither the Crimean nor the Ukrainian authorities want to recognize, just as the majlis does not want to recognize the legitimacy of the Crimean Supreme Soviet, are of course interesting questions. But it is said that some politicians (not ours, of course) take into account not only their own principles, but also the political realities, but they are such that there are both a Supreme Soviet and a majlis in Crimea today. In my view, there should be a serious examination here of the question of a two-chamber parliament, as there is in states with a similar national composition. Although the Crimean parliament, headed by S. Bagrov, is categorically against it, nonetheless, it will be necessary sooner or later to sit down to the negotiating table. The sooner the better.

The situation is extremely dangerous, most of all because a smoldering political impasse has arisen. Winter is approaching, and many Tatar families are not set up. Any expropriation will be challenged. Why? An ethnic, cultural, and religious combination similar to that of the Balkans has developed. The whole world is trying to put out the fire in the powder keg of Europe. Will we at least be able to try to understand each other without the "blue helmets"?

## More on Mstislav, Filaret Conflict Over Church Unification

### Church to Ask for Autocephaly

93UN0369A Moscow NEZAVISIMAYA GAZETA  
in Russian 18 Nov 92 p 3

[Unattributed article: "Where Filaret is Breathing So Freely. 'Unification' of Churches From the Legal Viewpoint"]

[Text] At the last press conference L. M. Kravchuk shared with the journalists his recollections of the sources of the current anti-Orthodox rule in Ukraine. When bishops of the UPTs [Ukrainian Orthodox Church] (18 out of 20) held a synod in Kharkov and decided the fate of their brother Filaret in the course of it, removing him from the post of head of the UPTs for perjury, which they reported in announcements to the president and the people, it turns out, that was done in secret. This is why the president did not recognize the decision of the above-mentioned synod. When, after a period of time, one former bishop of the UPTs (Filaret), however, unified it with the UAPT [Ukrainian Autocephalous Orthodox Church] in the name of the entire church, in such a manner that not only the faithful of both churches, but the head of the UAPT Mstislav as well, did not know about it at all, that was considered a lawful act.

The president, however, frankly observed that he is not a professional where questions of canon law are concerned. Let that be so. But the president was fully informed about the forced unification of the churches. Which, in part, is evidenced by the "secret" memorandum to him from N. A. Kolesnik, who was then chairman of the Council for Religious Affairs of the Cabinet of Ministers of Ukraine.

In it Nikolay Afanasyevich, noting the artificiality and provocative manner in which the UPTs-KP [Ukrainian Orthodox Church - Kiev Patriarchate] was created, enumerated violations of the bylaws of the UAPT recognized as effective in the newly created UPTs-KP religious union. Let us look at some of the points made in that document.

The decree of the so-called All-Ukraine Orthodox Synod on the creation of the "UPTs-Kiev Patriarchate" was adopted without the participation and against the will of the people and the UPTs episcopate. It declares an idea but does not reflect the true state of affairs. Proclamation of the newly-created church as the owner of all finances and property, previously belonging to the UPTs and UAPT, does not correspond to the order established by law for the resolution of these questions and ignores the existence of UPTs with its structures having a legal right to the finances and property belonging to them. This point of the decree produced by the unification synod (Filaret-Antoni), may lead to a struggle for churches

and religious structures among followers of the indicated churches and further destabilize the religious situation in Ukraine.

Organizers of the All-Ukraine Orthodox Synod (Filaret-Antoni) and the Synod itself committed a number of important violations of the bylaws dealing with the management of the UAPTs, recognized as applying to the UPTs-KP until the adoption of the new bylaws.

The principal violations are as follows:

- The synod was convened without the initiative and blessing of Mstislav, patriarch of the UAPTs;
- The election procedure and the number of delegates at the Synod were not determined by the patriarch of that church by the time that is stipulated in Paragraph 4, Section 4, of the bylaws of the UAPTs;
- Changes in the bylaws of the UAPTs, including introduction of the post of deputy patriarch and creation of the high church council (Paragraphs 5 and 9 of the decree), can be made only by the local synod of UAPTs (Section 14 of the bylaws) and not by the All-Ukraine Orthodox Synod (Filaret-Antoni);
- Paragraph 8 of the decree of the Ukrainian Orthodox Synod (Filaret-Antoni) forms the Holy Synod of the UAPTs-KP out of five archbishops without including Patriarch Mstislav, even though Paragraph 2 of the bylaws of the UAPTs states that the synod of archbishops includes the patriarch as its chairman, as well as two permanent and two temporary members.

I assume that excessive publicity in the mass media concerning unification of UAPTs with the former primate of the UPTs Filaret and his few followers, with simultaneous ignoring of the activity of UPTs, disorients local organs of executive power which conduct the state policy with regard to religion and the church. That also violates provisions of Paragraph 5 of the law on freedom of conscience which stipulates that the establishment of any type of advantage for one religion or a religious organization and not for others is not permitted. Violation of this legal norm may lead the followers of UPTs to the use of undesirable methods in defending their "church."

Chairman N. Kolesnik modestly kept silent about the fact that Filaret and Antoni Masendich, criticizing the allegedly illegal Kharkov Synod of the UPTs, which removed Filaret from power, in secret from Mstislav and his colleagues, slyly introduced a point in the UAPTs bylaws permitting them to relieve the patriarch of his duties because of age.

N. A. Kolesnik himself, fell victim to his own principled nature, for he did not take into consideration that President Kravchuk was already involved in the political-clerical affair, hastening not only to approve the idea of the creation of an independent church, but the "unifying synod" (Filaret-Antoni) as well. As a result, despite violation of Ukrainian law by this "synod," the

bylaw of the UPTs-KP was registered by the Council for Church and Religious Affairs of the Cabinet of Ministers of Ukraine, which, however, did not save Kolesnik and he was forced to retire.

### State Witting of 'Illegal' Unification

93UN0369B Kiev NEZAVISIMOST in Russian  
14 Nov 92 p 3

[Article by V. Skachko: "Ukrainian Autocephalous Orthodox Church Patriarch Mstislav Against 'Filaret Matter'. Intercongregational Squabbles Continue in Ukraine"]

[Text] Religion

As commonly known the All-Ukraine Orthodox Synod took place in Kiev on 25-26 June of this year, which ended with the unification of the Ukrainian Autocephalic Orthodox Church (UAPTs) with followers of the former Metropolitan Filaret of Kiev and All Ukraine, removed by the Moscow Patriarchate, representing part of the Ukrainian Orthodox Church (UPTs). The unification was actively promoted by some of the people's deputies of Ukraine who organized the committee for defense of Ukrainian orthodoxy. At that synod Filaret was elected deputy of Patriarch Mstislav of UAPTs who resides in the U.S.A. The new religious association received the designation "Ukrainian Orthodox Church - Kiev Patriarchate" (UPTs-KP) and began work on dividing church property. Patriarch Mstislav of UAPTs, himself, however, was not present at the unifying synod nor did he express any support of the new church, and rumors began spreading in Ukraine indicating Filaret's involvement with the KGB. On the other hand the leadership of the republic congratulated UPTs-KP and promised its support.

At the end of October of this year the mass media published Mstislav's letter in which he condemned the artificial unification of the church and called on the followers of UAPTs and the flock not to recognize the decision of the June synod and in an interview published in the parliament newspaper GOLOS UKRAINY, stated: "Nowhere in the world do any of the local churches consider Filaret to be metropolitan. Our mother church in Constantinople, just as other autocephalies of the world, are prepared to recognize us, but until Filaret gives up his powers the Kiev Patriarchate will be recognized only by certain people's deputies of Ukraine. The tragedy of current Ukrainian Orthodoxy consists of a phenomenon such as the Filaret matter" and went on to express hope that all efforts of Ukrainian leadership to overcome Moscow's Orthodox expansion with the help of Filaret will be fruitless. Leadership of the UPTs-KP, in turn, called that declaration by Mstislav a falsification.

Recently the Presidium of the Supreme Council of Ukraine received two official documents. A letter addressed to Patriarch Mstislav by UAPTs Presbyter Vladimir Yarema, dated 13 October of this year, states

that just two years ago Filaret announced that there was no Ukrainian church nor could there be one. After being defrocked, however, and losing his post in accordance with a decision of the Moscow Patriarchate, striving to preserve his position, he created a new church on his own, declaring the self-liquidation of the UAPTs. Vladimir Yarema asked Mstislav to explain to the President of Ukraine Leonid Kravchuk the tragedy of the church in Ukraine, otherwise the autocephalous church would operate covertly. Yarema offered to create a pre-synod commission for the organization of a true Orthodox synod, while prohibiting Filaret from speaking on behalf of the UAPTs. In conclusion he said: "Let the government of Ukraine not sully itself by participating in such a dishonest alliance. Church affairs cannot be resolved without the head of the church—the Patriarch of Kiev and All-Ukraine."

Archbishop Mstislav directed an appeal to the episcopate on 20 October, as reported by NEZAVISIMAYA GAZETA, directed at the clergy and lay members of the UAPTs. The appeal from the patriarch stated: "The decision concerning unification of UAPTs with any other church, according to bylaws of the UAPTs, can be made only after convocation by me of a synod of the episcopate, clergy, and lay members, the preparations for which have already started. In this connection the decision of the so-called 'All Ukraine Orthodox Synod' of 25-26 June 1992, the 'Committee for Defense of Orthodoxy,' as well as that part of the UAPTs episcopate which recognized the decision of the indicated synod and the committee, is not binding for the episcopate, the clergy, and lay members of UAPTs."

At his press conference of 11 November Leonid Kravchuk refused comment on this appeal from Mstislav, which is yet to be widely disseminated, and announced that he does not intervene in ecclesiastical matters and is prepared to welcome any decisions made in accordance with church canons.

At the same time intercongregational squabbling continues in Ukraine. Meetings in support of Filaret's unified church are taking place throughout the entire republic. Filaret himself, however, as well as his church, continue using the property and churches with the support of the authorities.

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The Moscow patriarchate is no longer interested in the existence of the Ukrainian Orthodox Church (UPTs) since it does not receive a cent from Ukraine, Metropolitan Vladimir of UPTs stated at the press conference in Kharkov, according to a report of the Department of Information of Rukh. The metropolitan also stated that on 29 December, at a meeting of UPTs parishioners, it is planned to adopt an appeal to Patriarch Alexiy II of Moscow, requesting that UPTs be granted the status of an autocephalous church.

Metropolitan Vladimir did not exclude the possibility of a unification of UPTs in the near future with the

Ukrainian Autocephalous Orthodox Church (UAPTs) and also expressed himself in favor of a theological discussion with participation of Ukrainian orthodox churches of the Moscow and Kiev patriarchates, as well as the Ukrainian Greco-Catholic Church in order to bring Christian congregations closer together in Ukraine.

## ECONOMIC AFFAIRS

### Kuchma Reports on Anticrisis Program

93UN0366A Moscow NEZAVISIMAYA GAZETA  
in Russian 19 Nov 92 pp 1, 3

[Article by Konstantin Parishkura under the rubric "Ukraine": "The People Have Lost Faith in Our Ability To Govern: The Anticrisis Program of Leonid Kuchma"]

[Text] The hour-long speech of Prime Minister of Ukraine Leonid Kuchma yesterday at the session of the Supreme Soviet consisted of two parts: an analysis of the economic situation and a set of anticrisis propositions. But the deputies did not hear a program: the scattered proposals merely indicated the government's priorities of activity. The premier's speech was full of the words "mafia," "economic diversity," and "economic crime." Kuchma reported that the republic's global social product had declined by 18 percent in the first 9 months of this year, national income fell by 11.5 percent, the volume of industrial production went down 19.7 percent, and production of food products decreased 17.5 percent. Prices rose by a factor of 22.5, the financial system has been destroyed, and investments, which are being eaten up by the uncontrollably growing wage funds, have virtually ceased.

The premier characterized the state of affairs overall in this way: "Our economy has experienced a destructive war. The fixed capital of industry and transport are 50-60 percent worn out. Servicing of the foreign debt next year will cost Ukraine 3 billion dollars. The state budget deficit has reached 44 percent of gross national product."

"The people have lost faith in our ability to govern the state, and the mafia is permeating all echelons of state power and government," said Leonid Kuchma and proposed the creation of a joint commission of the Supreme Soviet and the Cabinet of Ministers to fight against the mafia; it would work in four areas: finance and banking, trade, currency, and the chemical industry complex. In Kuchma's opinion, only this type of commission can find out what happened to the one and one-half billion in German credit as well as the technical credit lines from Spain and Italy.

The premier harshly criticized the policies of the National Bank of Ukraine and laid responsibility for the payment crisis in relations with Russia on it. He listed a whole number of large, shady trade-finance deals which are being investigated by a special commission under the



Cabinet headed by the vice premier and suggested assembling representatives of all political parties and movements of Ukraine, to reach agreement on prohibiting any actions which could destabilize the situation in the country while extraordinary measures are being conducted in the economy.

To the retort of one of the deputies asking how the president (who was in the hall) could allow such a breakdown and how he would answer for it, Leonid Kravchuk promised to name all the names of the guilty parties, while the prime minister immediately added that he and the president were in complete mutual understanding regarding the investigation of economic crimes (recently a whole number of managers of the chemical industry of Ukraine were removed).

The set of anticrisis measures Leonid Kuchma proposed to the deputies is as follows: determine the minimum consumption level for low-income persons and maintain it (Kuchma explained that this point is important because of the real threat of a social explosion); demonopolize the economy; change to market prices with strict state monitoring of correspondence between commodities and money in circulation; form a nondeficit budget; prohibit the National Bank of Ukraine from carrying out credit emissions; revise taxes in order to reduce them (reduce the value-added tax to 20 percent and replace the income tax with a tax on profits and reduce it to 30 percent); exempt production investments from taxation; and bring taxes on hard currency earnings into line with others. The National Bank of Ukraine is supposed to assume responsibility to fight against inflation, to ensure demonopolization, and to convert the agroindustrial complex into joint stock companies. Leonid Kuchma also announced the need to prohibit all enterprises and organizations, including banks and investment companies, from having currency accounts abroad and announced the establishment of customs control (transformation of the function of customs from a prohibitory to a regulatory function), while taxes are envisioned as the means of regulating export-import operations.

Acceleration of privatization, in Leonid Kuchma's opinion, should entail an open process: auctions and information in the press. Several preventive measures in the struggle against impending unemployment were outlined: public works, and the sale of bankrupt state enterprises. Leonid Kuchma asked that he be given until the end of 1993 to stabilize the economy using the proposed measures.

#### **Procedure for Filing for Privatization**

935D0098A Kiev URYADOVYY KURYER  
in Ukrainian 30 Oct 92 p 14

["Procedure for Filing and Consideration of Privatization Petitions"]

[Text]

#### **1. General Provisions**

1.1. The present procedures have been developed pursuant to the Laws of Ukraine "On Privatization of the Property of State Enterprises" and "On Privatization of Small State Enterprises (Small-Scale Privatization)."

1.2. The procedures determine the form, deadlines, and mode of filing and considering privatization petitions (henceforth—petitions).

#### **2. Procedure for Filing and Registration of Petitions**

2.1. Petitions are filed with:

the State Property Fund of Ukraine or its regional offices if facilities to be privatized constitute all-state property;

the local privatization organ of the administrative-territorial entity concerned if facilities to be privatized constitute municipal property;

the privatization organs of the Republic of Crimea if facilities to be privatized constitute property of the Republic of Crimea.

2.2. Petitions are filed in an established format (see annex) in triplicate.

2.3. Petition forms are filled out in the Ukrainian or Russian language. The text is typed in on a typewriter in a line of black color. Erasures and corrections are not permissible. Names in other languages are legibly written in by hand in black ink.

2.4. A company of buyers, legal entity, or physical person filing the petition is the petitioner.

2.5. A petition consists of four parts

The first part (Facility) contains data on the facility to be privatized.

Data on the petitioner, or an individual authorized by him, are placed in the second part (Petitioner).

The mode of privatizing the facility proposed by the petitioner is indicated in the third part (Mode).

The fourth part (Documents) contains the enumeration of documents appended to the petition.

2.6. The following are entitled to sign the petition:

on behalf of a company of buyers—an individual authorized by it;

on behalf of a legal entity—the manager, or an individual authorized by him, whose signature is certified by the seal of this legal entity;

as a physical person—a citizen, a stateless person, or an individual authorized by him (her)

2.7. Additional information which is not provided for in the petition form is furnished to the relevant state privatization organ by agreement with the petitioner

2.8. A registration fee (petition payment) is paid when a petition is filed. State privatization organs establish the amount of registration fees charged when petitions are filed.

2.9. The dates of receipt and incoming numbers are entered on petitions received by state privatization organs. The state privatization organs make decisions on the registration of petitions within three days.

2.10. It is possible to reject the registration of a petition only if:

a petition is not submitted in the established format;

a petition form is filled out incorrectly, or contains erasures and corrections;

the documents provided for in the fourth part of the petition are absent or submitted in incomplete form.

2.11. A substantiated refusal to register a petition is sent to the petitioner.

2.12. The relevant official of the state privatization organ places X marks on a petition which is subject to registration in order to signify the availability of necessary documents, as well as enters the number of sheets, date, registration number, and code of the state privatization organs, signs, and certifies the petition with a seal.

### 3. Procedures for Considering Petitions and Making Decisions on Them

3.1. A decision on the privatization of a facility should be made within one month from the moment of the registration of a petition by the relevant state privatization organ.

3.2. Based on the result of the consideration of a petition, the decision is made:

to reject privatization;

to grant permission for privatization.

3.3. The relevant state privatization organ notifies the petitioner and the labor collective of the enterprise to be privatized about its decision. In the event of a refusal, substantiated motives for the refusal are given in the notice sent to the petitioner.

3.4. The relevant state privatization organ forwards one copy of petitions regarding which privatization decisions have been made to the State Property Fund of Ukraine.

3.5. Privatization may be rejected only if:

the individual submitting the petition cannot be considered a buyer;

legislation establishes restrictions on the privatization of the facility;

the facility has been included, through established procedures, on the list of facilities not subject to privatization;

facilities covered by small-scale privatization are not included on the confirmed lists of facilities which are subject to privatization.

3.6. A petition is considered invalid if data in it are unauthentic.

Confirmed by Order of the Chairman of the Board of the State Property Fund of Ukraine No. 345, dated 26 August 1992.

### Statute on Privatization Commissions

935D0098B Kiev URYADOVYY KURYER  
in Ukrainian 30 Oct 92 p 14

["Statute on Privatization Commissions"]

[Text] The present Statute has been developed pursuant to the Law of Ukraine "On Privatization of the Property of State Enterprises" and sets forth procedures for the establishment and operation of privatization commissions.

#### 1. Procedures for the Establishment of Privatization Commissions

1. Privatization commissions (henceforth, commissions) are established by:

the State Property Fund of Ukraine, its regional divisions and representative offices—in the course of privatizing facilities which constitute all-state (republic) property;

privatization organs of the Republic of Crimea—in the course of privatizing facilities which constitute property of the republic;

privatization organs of administrative and territorial units—in the course of privatizing facilities which constitute municipal property.

2. A commission is established within one month from the day the decision to privatize the facility is made.

3. Within three days of resolving to privatize a facility the privatization organ notifies:

the local (rayon) soviet of people's deputies in whose jurisdiction the facility to be privatized is located;

the organ of state government (oblast state administrations, state administrations of the cities of Kiev and Sevastopol);

financial organs (oblast finance administrations; finance administration of the cities of Kiev and Sevastopol);

individuals who have filed petitions to privatize the facility;

the management of the facility to be privatized.

4. The following belong to the commission: representatives of the companies of buyers (one from each company), other individuals who have filed privatization petitions or their representatives (one from each person), representatives of the state privatization organ, organ of state government, and local soviets of people's deputies. The above individuals are delegated to the commission by the appropriate organs and individuals within three days of receipt of notification of the establishment of the commission.

5. The members of the commission are confirmed by decision of the relevant privatization organ. The chairman of the commission is appointed, and the date for filing the privatization plan for the facility is established by this decision.

A representative of the privatization organ, or an individual authorized by him, is appointed chairman of the commission.

Representatives who become members of the commission operate on the basis of duly formalized powers of attorney issued by the relevant organs, or the individuals who assigned them.

## **II. Main Tasks and Functions of Privatization Commissions**

1. The main tasks of the commissions are:

to monitor the taking of property inventories at facilities to be privatized;

to develop plans for the privatization of facilities and file them with privatization organs for confirmation;

to appraise the value and set initial prices for facilities to be privatized and the size of authorized capital of the economic company;

to determine the form of payments and quotas for the compulsory use of property privatization certificates;

to develop, if necessary, drafts for the reorganization of the facilities to be privatized;

to develop proposals for privatizing facilities of social infrastructure;

to evaluate the social consequences of privatization;

to prepare an information card for the privatization of facilities.

2. In keeping with the legislation in effect, the commissions are responsible for:

the timely development of privatization plans;

the authenticity of information included in privatization plans.

## **III. Rights of the Privatization Commission**

With a view to accomplishing the tasks set, the commission is entitled:

to obligate the management of an enterprise to take, before the established deadlines, inventory of property at the facility to be privatized;

to issue directives associated with the development of the privatization plan, which are binding on the management;

to demand that state organs, establishments, and organizations provide information, documents, and other materials which are necessary to develop a privatization plan;

to use in its work experts, consultants, and specialized auditing and consulting organizations and companies.

## **IV. Organization of the Operation of Privatization Commissions**

1. The chairman of the commission (henceforth, chairman) manages the operation of the commission and organizes its work.

2. Within the confines of his authority, the chairman:

convenes meetings of the commission;

organizes the preparation of material for consideration by the commission;

issues directives which are binding on the members of the commission and officials of the facility to be privatized;

represents the commission in relations with other organs and organizations.

3. Commission members must participate in the operation of the commission and execute directives and assignments of the chairman.

4. Commission members cast a decisive vote on all issues which are considered at commission meetings.

5. The commission makes decisions by a simple majority vote.

6. When votes in favor and against are tied, the vote of the chairman is decisive.

7. The meetings of the commission are held as necessary and have a quorum if no fewer than two-thirds of the members of the commission are in attendance. The date of the meeting is established by the chairman.

8. Minutes are taken at the meetings of the commission. The minutes of the meetings and resolutions of the commission are processed within two days. These documents are signed by the chairman.

**V. Procedures for Development and Adoption of a Privatization Plan**

1. A privatization plan is developed by the commission pursuant to the Statute "On Privatization Plans."

2. The duration of the development of the privatization plan should not exceed two months from the day the membership of the commission is confirmed.

3. In developing the plan, the privatization commission takes into account the proposals of:

the labor collective of the facility to be privatized;

buyers;

the local soviet of people's deputies (at the location of the facility to be privatized);

the privatization organ.

4. The decision to complete the development of the privatization plan is considered passed if no fewer than two-thirds of the commission members present at a meeting vote in favor of it.

5. The minutes of the meeting concerning the adoption of the draft privatization plan are submitted to the relevant privatization organ together with the draft plan.

6. If the draft privatization plan is rejected at a meeting of the commission, it should be revised within 10 days and submitted for reconsideration.

7. If the draft privatization plan is not adopted by the commission upon repeat consideration, the decision on its adoption is made by the chairman.

8. The draft privatization plan adopted by the commission is forwarded for review to the labor collective of the facility to be privatized.

9. The labor collective must review the draft plan for privatization submitted by the commission within five days and make an appropriate decision. The chairman of the commission, or commission members authorized by him, must be present at the meeting of the labor collective for reviewing the plan.

10. If a labor collective fails to meet the deadline for the review, the draft privatization plan is considered reviewed, and is forwarded by the commission to the privatization organ for confirmation.

11. If a labor collective disagrees with the draft privatization plan it is entitled to prepare an alternative plan for privatizing the facility within 10 days from the receipt of the draft plan and submit it to the privatization organ.

12. If a labor collective fails to meet the deadline for the development of the alternative plan for the privatization of the facility, the privatization organ considers only the draft plan submitted by the commission.

**VI. Remuneration for the Work of Commission Members**

1. Remunerations are paid for the work of commission members from off-budget privatization funds.

2. Payments are made for the services of experts, consultants, and auditing and other specialized companies and organizations used by the commission to develop the privatization plan from off-budget privatization funds.

Payments for the services of experts and consultants used for the development of the privatization plan on the initiative of the buyer are made at the expense of the buyer.

3. Payments for services rendered in the development of the alternative plan for privatizing the facility are made by the labor collective with the funds of the labor collective.

4. The operation of the commission is discontinued by a decision of the privatization organ after confirmation of the privatization plan.

Confirmed by Order of the Chairman of the Board of the State Property Fund of Ukraine No. 371, dated 8 September 1992.

**Cabinet of Ministers' Procedure for Acquiring Housing Ownership**

93SD0096A Kiev PRAVDA UKRAINY in Russian  
4 Nov 92 pp 2-3

[Unattributed article: "How To Become a Homeowner"]

[Text]

**The Cabinet of Ministers of Ukraine****On the Mechanism for Enactment of the Law of Ukraine "On Privatization of the State Housing Fund"****DECREE of 8 October 1992, No. 572**

In keeping with the law of Ukraine "On Privatization of the State Housing Fund," the Cabinet of Ministers of Ukraine decrees:

1. To the Council of Ministers of the Republic of Crimea, the oblast administration, the Kiev and Sevastopol city government administrations, and the ministries and departments with full management jurisdiction or operational control of the state housing fund:

to contribute to the satisfaction of the citizens' demands to carry out privatization of the state housing fund and to take measures against officials who place obstacles in the path to conducting privatization of the aforementioned fund;

to accelerate the creation of authorized organs, agencies, bureaus, associations, and other enterprises for privatization of housing, and also to determine the list of



institutions and organizations which are to be licensed to fill out the necessary documents for privatization of the state housing fund. Here they should proceed giving priority to organizations that are not included in state structures and are not owners of the housing fund

to determine the buildings not subject to privatization according to the given law and inform the citizens inhabiting them of this;

to provide for the observance of existing procedures for granting and using housing under conditions of loans for citizens who have expressed a desire to privatize the housing they occupy;

to conduct extensive explanatory work among the citizens who have the right to move before privatization to apartments with less space;

to take measures for maintaining privatized apartments at the expense of their owners in keeping with the rules for use of premises in residential buildings and their grounds through partnerships and associations of individual owners of apartments and buildings.

to monitor the service and repair of privatized housing and the provision of municipal and other services at state rates and tariffs to residents.

2. To approve the Procedure for granting renters single-apartment buildings and apartments in buildings that are included in repair plans and compensating them for incomplete repair work; the Procedure for participation of former owners in the organization and financing of repair of privatized residential buildings; the Procedure for determining the coefficients of consumer quality of apartments (buildings) subject to privatization, the Procedure for payment of monetary compensation to renters for replacement of the apartments they occupy with apartments with less space; the Rules for the use of residential buildings and areas around buildings (appended).

3. To take under advisement the fact that the State Committee for Housing and Municipal Services has developed and approved a statute on the procedure for the transfer of apartments (buildings) to the possession of citizens.

4. To the Ministry of Statistics—within a week's time to make a determination about quarterly reporting on the course of the privatization of the housing fund by the citizens.

5. To augment point 1 of the statute on the procedure for issuance by subjects of entrepreneurial activity of special permits (licenses) for performing certain kinds of activity approved by Decree of the Ukrainian SSR Council of Ministers of 15 April 1991, No. 99 (SP USSR, 1991, No. 5, p. 37; 1992, No. 2, p. 48), with subpoint "i" with the following content:

"i) for granting services for filling out and recording documents on the right to own apartments (buildings)—by the State Committee of Ukraine for Housing and Municipal Services."

6. To declare invalid:

the Decree of the Ukrainian SSR Council of Ministers and Ukrsovprom [Ukrainian Council of Trade Unions] of 19 May 1989, No. 142 "On Approving the Statute on the Sale to Citizens as Property of Apartments in Buildings of the State and Public Housing Fund, Their Maintenance and Repair" (SP USSR, 1989, No. 5, p. 23);

point 5 of the changes and additions made to the resolution of the government of the Ukrainian SSR, approved by the decree of the Ukrainian SSR Cabinet of Ministers of 22 August 1991, No. 163, "On Changing and Rescinding Resolutions of the Government of the Ukrainian SSR Because of the Adoption of the Ukrainian SSR Law, 'On Property'" (SP USSR, 1991, No. 9, p. 75).

point 1 of the decree of the Ukrainian SSR Council of Ministers of 11 August 1988, No. 243 "On Approving the Standard Agreement for Leasing Residential Premises in Buildings of the State and Public Housing Fund in the Ukrainian SSR and Rules for Use of Residential Premises, Maintenance of a Residential Building and Grounds in the Ukrainian SSR" (SP USSR, 1988, No. 9, p. 40) with respect to approval of the rules and the third paragraph of point 2 of this decree.

[Signed] Acting Prime Minister of Ukraine V. Simonenko  
Minister of the Cabinet of Ministers of Ukraine V. Pekhota

#### APPROVED

by Decree of the Cabinet of Ministers of Ukraine of 8 October 1992 No. 572

#### PROCEDURE

**for granting to lessees of single-apartment buildings and apartments in buildings included in plans for repair work, and compensation for repair work not done**

1. In keeping with point 4 of Article 2 of the law of Ukraine "On Privatization of the State Housing Fund," compensation for repair work that is not done is made to owners of the state housing fund with funds allocated for doing it and to lessees of single-apartment buildings and apartments in multiple apartment buildings if they have expressed a desire to do the work themselves or by using their own money with subsequent compensation.

2. The right to receive compensation for repair work that was not done is enjoyed only by lessees who have expressed a desire to privatize the housing they occupy and who live in buildings included in the plan for repair work in keeping with established procedure

3. The amount of compensation is confirmed by an estimate for the repair of the building in prices in effect during the period of the performance of the repair.

4. In multiple apartment buildings, lessees may do their own repair work or pay to have it done with their own money with payment of the corresponding compensation if all lessees of the building agree. The compensation for repair work is distributed among the lessees in proportion to the overall area of the apartments they occupy.

5. If the approved project-estimate documentation specifies the repair of individual apartments of a multiple apartment building, it is not necessary for all lessees to agree to do the repair themselves or pay for it themselves with subsequent compensation.

6. The compensation is paid to the lessees of the apartments (buildings) after the repair work is done and the corresponding document certifying the performance of the work in the amounts specified by the planning estimates is filled out with the participation of a representative of the owner of the building.

#### **APPROVED**

by Decree of the Cabinet of Ministers of Ukraine of 8 October 1992 No. 572

#### **PROCEDURE**

**for participation in the organization and financing of repair of privatized residential buildings by their former owners**

1. In keeping with point 7 of Article 30 of the law of Ukraine "On Privatization of the State Housing Fund," former owners of multiple apartment buildings (ispolkoms [executive committees] of local soviets of people's deputies, local state administrations in the cities of Kiev and Sevastopol, enterprises, organizations, and institutions that have complete economic jurisdiction and operational control of them) must participate in the work of repair, the need for which has arisen after the privatization of the apartments. The volume of this work is determined by the number of privatized apartments in the building and the period of time of its operation from the completion of construction or reconstruction until the completion of the first repair work after privatization.

2. If several apartments in the building have been privatized and their owners have not expressed a desire to create a partnership (association) of apartment owners, then each apartment owner concludes an agreement with the building owner to participate in the expenses of maintenance (service and repair) of the building and grounds. The agreement determines the amount of the monthly contributions of the apartment owner into the working account of the building owner for the forthcoming repair work.

Under these conditions the first repair work after privatization and subsequent repair of the building are done by the building owner, regardless of the time of its use.

3. If some of the apartments in the building have been privatized and their owners have formed a partnership (association) of apartment owners, an agreement is concluded between the partnership (association) and the owner of the nonprivatized apartments (co-owner of the building) for joint ownership of the residential building and shared participation in the expenditures on maintenance of the building and grounds. The agreement determines the amount of the annual fees collected by the partnership (association) of apartment owners for the forthcoming repair of buildings. These funds are accumulated in the working account of the partnership (association).

4. If not all of the apartments in the building have been privatized when the first repair after the privatization of the building is conducted, the former owner of the building (now the co-owner) must participate in the financing of the cost of the repair of the privatized apartment in amounts specified in the appendix to the present Procedure. The size of the share indicated in the table is determined on the basis of the cost of the repair of the privatized part of the building. The cost of the repair of the nonprivatized part of the building is financed completely by its owner.

5. If all the apartments in the building have been privatized, the former owner finances only the first repair after the privatization in amounts indicated in the appendix to the present Procedure.

6. The amount of the annual contributions of apartment owners for the repair of the building is established by the owner of the building with the consent of the co-owners of the building, and it must not be less than the cost of repairing buildings established by the state housing fund.

7. The first repair of the building after privatization must be comprehensive, that is, it must include the necessary work involved in correcting malfunctions and damage to all elements of the building discovered during the inspection.

The list of work to be done during the first repair job includes work aimed at raising the level of improvements to the building and grounds, the installation of equipment that is lacking, and improvement of the building's operational indicators (replacing flat, composite roofs with hipped roofs, heating certain sections of walls, etc.)

8. The work done during the first repair does not include jobs involved in the repair of apartments which are the responsibility of the owners and lessees of the apartments.

9. The inspection of buildings in need of their first repair after privatization and the drawing up of the planning estimates are the responsibility of the corresponding

planning organizations. Representatives of the owners and co-owners of the building and the former owner of the building must participate in the inspection of the building.

10. If the partnership (association) of apartment owners does not have sufficient funds for performing the work envisioned by the estimate, taking into account the established share of expenses borne by the former owner of the building, apartment owners cover this shortage or else the composition and volume of work for repair of the building is revised and reapproved.

11. The present Procedure goes into effect after the introduction of the reform of the wage system, and it applies both to former property owners and to their legal heirs.

#### APPROVED

by Decree of the Cabinet of Ministers of Ukraine of 8 October 1992 No. 572

#### PROCEDURE

for payment of monetary compensation to lessees for replacement of the apartments they occupy with apartments with less space

1. The present Procedure determines the mechanism for replacement of an apartment occupied by a lessee with an apartment with less space, and also the establishment and payment to him of compensation for the difference between the amounts of space in the two apartments.

2. The replacement of an apartment rented by a citizen with an apartment with less space is done by the owner of the state housing fund with the written consent of all adult members of the family who are residing permanently with the lessee in the apartment they occupy (for which they retain the right to residence) as of the moment the law of Ukraine "On Privatization of the State Housing Fund" goes into force.

3. In order to carry out this replacement, organs of local state power, enterprises, organizations, and institutions with full economic jurisdiction or operational control over the housing fund create a housing reserve. The housing reserve for replacing apartments with smaller apartments is created from apartments that are currently being vacated, apartments purchased from citizens, and some of the apartments in newly constructed, thoroughly renovated, or reconstructed residential buildings. The reserve includes one-and two-room apartments and one-room residential buildings, which are usually located in prestigious areas of a population point with higher consumer quality indicators.

4. The application for which the model is given in the appendix to this Procedure, and the reference from the place of residence concerning the composition of the family and the permit are submitted by the lessee to the ispolkom of the local soviet of people's deputies, the local state administration (in the cities of Kiev and

Sevastopol), or the state enterprise, organization, or institution with full economic jurisdiction or operational control of the building.

5. The owner of state residential buildings, when it is possible to satisfy all the conditions indicated in the lessee's application, makes a decision to grant him a smaller apartment. The organ responsible for filling out documents for privatization of state housing, on instructions from the building owner, makes the necessary calculations, coordinates all issues with the applicant, and prepares a draft resolution of the organ of state executive power and a resolution of the administration, enterprise, organization, or institution with full economic jurisdiction or operational control over the building.

6. On the basis of the resolution that is adopted, the applicant is issued an order for housing with less space

7. Releasing the occupied apartment and moving into the new one are done according to the established procedure.

8. After the document for release of the apartment has been filled out, the building owner transfers funds to the account of the lessee who replaced the apartment he occupied with one with less space

The monetary compensation to citizens for the space they have forfeited is paid from funds of the owner of the building, which he received from privatization of the state housing fund, the sale of apartments released through replacement, and other revenues.

9. The amount of the compensation to citizens for the overall space they have forfeited upon replacement of their apartment with a smaller apartment is determined by multiplying the value of one square meter of general newly constructed dwelling space in the given population point in the year when the apartment was replaced by the difference in the overall space of the apartment which is rented and received by the citizen

#### APPROVED

by Decree of the Cabinet of Ministers of Ukraine of 8 October 1992 No. 572

#### RULES

for the use of premises in residential buildings and grounds

1. The present Rules determine the procedure for the use of premises and also the maintenance of residential buildings and grounds, regardless of departmental jurisdiction and forms of ownership. Normative documents (rules, norms, instructions) on using and maintaining the housing fund are developed by the corresponding state management organs on the basis of the present Rules

2. Apartments and single-apartment buildings (henceforth—buildings) are used by citizens on the basis of private ownership, lease, or rental.

3. The grounds are assigned to the owner of the housing fund by the organ of local government authority.

4. The owner of the housing uses his own funds to pay for all expenses involved in the maintenance of the residential building and assigned grounds.

5. Technical service and repair of elements of residential buildings and landscaping and sanitary services for auxiliary premises of residential buildings and grounds are provided on a contractual basis with the owners of the housing or an organ authorized by them by the corresponding enterprises, which must observe the requirements of the present Rules. When violations are discovered, the owner or organ authorized by him takes measures against the guilty parties.

6. Owners of residential buildings must:

repair them promptly;

provide technical service for construction elements and technical equipment and sanitary service for auxiliary premises and grounds;

meet the conditions of the contractual relations with the enterprises for servicing the housing.

7. Apartments (rooms) in residential buildings which are state and collective property may be rented or leased to citizens, and in buildings or apartments that are private property, they may be rented. Subletting of rooms (apartments) is not allowed without the permission of the owner.

8. Owners of multiple-apartment residential buildings or organs authorized by them:

conclude agreements for the performance of work for service and repair of the building (buildings) with state municipal, private, collective, or family enterprises or individuals. Owners of buildings that are private property provide service and repair of buildings themselves or with the help of contracting enterprises;

evaluate the quality of work performed for maintaining residential buildings and grounds and apply sanctions specified by the agreement against housing service enterprises for failure to fulfill or for poor-quality fulfillment of their contractual commitments.

9. Private property rights to an apartment are certified by an officially notarized document on the acquisition of the apartment (purchase-sale contract or gift and certificate of the right to ownership registered with organs of technical inventORIZATION or organs of the local soviet of people's deputies).

10. Owners of apartments in multiple-apartment buildings may create partnerships (associations) of apartment owners in order to ensure effective use and management

of privatized apartments and to resolve other problems specified by the by-laws (standard by-laws of a partnership [association] of owners of apartments [buildings] are appended). Apartment owners delegate to the partnership (association) the right to act on their behalf with the rights of the building owner and client for the performance of service and repair work.

11. Owners of residential buildings have the right to form partnerships (associations) of residential building owners.

12. When there are co-owners in a multiple-apartment building, an agreement is concluded among them for joint ownership and shared participation in the maintenance of the building and grounds with the determination of an authorized co-owner.

13. Co-owners of a building where no partnership (association) has been created conclude an agreement for participation in the expenditures on maintaining the building and grounds.

14. Payment for the use of heating and electric energy, gas, water supply, sewerage, and other services (the use of broadcasting points, a collective television antenna, telephones, etc.) by owners of apartments (buildings), lessees, and renters is made at rates approved in keeping with the established procedure.

15. All premises of apartments in buildings of the state and public housing fund are used on the basis of leasing or rental contracts.

16. The owner of an apartment, with the consent of family members, has the right to let an apartment (room in an apartment) for rent. The use of the apartment (rooms) by the renter is agreed upon by the rental agreement concluded with the owner of the apartment in written form. The owner of the apartment may conclude other agreements that are not prohibited by law.

The amount of the rent for the premises is agreed upon by the parties. When determining the amount of the rent one takes into account the space in the rented premises, the actual expenses paid by the owner of the housing on service and repair of the building, the sum of remuneration to the owner for the value of the housing, and other expenses

Renters (owners of apartments) must submit a declaration to the tax inspectorate on the incomes from rented housing.

17. Owners of apartments in multiple-apartment buildings must deposit the payment for service and repair of the building in the appropriate account of the building owner.

Lessees of apartments (rooms) deposit payment for the rental of housing, whose amount is established by the Cabinet of Ministers of Ukraine.



These payments and payments for municipal and other services by owners of apartments, lessees, and renters are made each month, no later than the 10th of the following month unless other times are stipulated by the agreement.

When these payments are late, a fine is imposed in the amount of one percent of the unpaid sum for each day it is late, but no more than 100 percent of the overall sum of the debt.

18. Owners of apartments, lessees, and renters must use the premises of residential buildings for their intended purposes and provide for maintenance of residential and auxiliary premises of apartments and technical equipment of buildings, observing fire safety rules. When something in the apartment is broken, they take measures to repair it themselves or through housing service enterprises.

19. Residential and auxiliary premises, balconies, and loggias may be re-equipped and rearranged by the apartment owners, lessees, and renters only in order to improve the apartment in keeping with the appropriate plans, without encroaching on the interests of other citizens living in the building. Lessees and renters of apartments may perform the aforementioned work only with the permission of the owner of the building (apartment).

Repair, reconstruction, and restoration of buildings designated in keeping with established procedure as monuments of history and culture are carried out with the knowledge of the state organs for protection of monuments and under their supervision.

20. Keeping explosives and ecologically harmful substances and objects in premises of residential buildings is prohibited.

21. Performance of work and other actions causing damage to the premises, increased noise, or vibrations which violate the conditions for the habitation of citizens is not allowed.

22. The use of television sets, radios, tape recorders, and other sound amplification devices is permitted only under the condition that the sound is turned down to point where it does not disturb the peace of the building's residents. It should be quiet in the building from 2300 to 0700 hours.

23. Keeping dogs and cats in apartments is permitted only under the condition that the rules for keeping dogs and cats in cities and other population points are observed, and in apartments where two or more owners, lessees, or renters reside—with their permission. Keeping animals, birds, or bees on balconies or loggias is prohibited.

24. Owners, lessees, and renters of residential premises must follow additional rules for the use of premises which may be established by organs of local state power.

25. External walls and elements of the building—facades, pedestals, roofs, entryways, window frames, the corresponding devices, and other elements—must be repaired and painted in the color determined by the architect. The building should have street numbers and direction signs in the proper form.

26. Stairwells, elevator shafts, attics, basements, and other auxiliary premises of buildings must be kept clean, uncluttered, and locked.

27. Residential buildings, their construction elements, and technical equipment must be prepared each year for operation under winter conditions. The responsibility for preparing the building for operation under winter conditions is borne by the owner of the building (authorized co-owner).

28. The building's technical specifications and condition are reflected in the technical passport of the residential building. Information in the passport must be updated periodically.

[No number 29. published] Sanitation service for the grounds is provided by specialized enterprises for servicing residences or by private individuals in keeping with technological recommendations and norms.

30. The volumes and content of work for servicing grounds during the summer and winter periods are determined by the amount of space, the level of improvement, the intensity of traffic in the hallways, and other characteristics.

31. Housing owners must provide the following on a contractual basis through housing service enterprises:

removal of garbage, according to an agreed-upon schedule;

maintenance of garbage cans and collection containers in good condition, making sure they do not overflow and clutter the area;

removal from the grounds of scrap metal, construction and household wastes, slag, and other wastes.

32. Maintenance of greenery on the grounds and proper care for it are provided on a contractual basis by owners of residential buildings or specialized enterprises. The appropriate agrotechnical and sanitary requirements and requirements for preservation of the mains must be met.

In the event that there are violations of the aforementioned requirements, reimbursement for the damage caused is made at the expense of the organization or individual to blame for this under the established policy.

33. The technical condition of the construction elements and technical equipment of the residential building should ensure that people may live in them safely. If there are deviations from the normative requirements, work is done to eliminate them immediately.

34. If there are deviations in the technical condition of the construction elements which threaten the safety of people in the residential building (condemned building), the residents, regardless of the form of ownership of the building, are subject to administrative relocation to other residential premises.

35. Owners, lessees, and renters of residential premises must follow these rules:

repair apartments at their own expense (for renters—if this is stipulated by the rental agreement);

observe conditions for safe operation of the basic equipment;

promptly notify the building owner upon discovery of objects in disrepair that impede the normal use of this building or lead to an overexpenditure of heat, gas, water, or electricity;

each year before the beginning of the heating season, weatherstrip windows and balcony and entry doors of the apartment;

make prompt payment for service and repair of the building, payment for rental or lease of the apartment, and municipal and other services.

If the repair of residential and auxiliary premises of the apartment are brought about by the repair of the residential building, the installation of additional equipment, or other factors beyond the control of the owner, lessee, or renter of the apartment, this repair work is done with funds accumulated for repair of the building.

36. Lessees and renters of apartments must:

reimburse the landlord (leaseholder) in keeping with the procedure established by law for losses due to damage to the apartment, residential building, and equipment caused by the lessee (renter) or individuals living with him;

when leaving the apartment along with family members for another place of residence so that it can be inhabited again, repair premises and equipment at their own expense or make reimbursement for the cost of the repair to the landlord (leaseholder) with his consent, and document the release of the premises.

The cost of work for making improvements on the apartment or installing new equipment by the lessee (renter) which cannot be removed without damaging the apartment, is not subject to reimbursement.

37. The owner of an apartment must reimburse the owner of the building for damages caused to the building through his fault or the fault of individuals living with him.

38. In apartments in which two or more property owners, lessees, or renters are living, it is recommended that they

choose someone to be responsible for making sure that all residents of the apartment follow the established rules.

39. All residents of apartments inhabited by two or more owners, lessees, or renters have the right to use the auxiliary premises and equipment.

40. The procedure for using auxiliary premises in apartments inhabited by two or more owners, lessees, or renters and also the sequence for cleaning them are established with the agreement of the inhabitants of the apartment.

41. The distribution of the overall expenditures for lighting, heating, repair of auxiliary premises of the apartment, payment for the telephone and other services in apartments in which two or more owners, lessees, or renters reside are made according to an agreement among the inhabitants of the apartment. If they have no agreement, the payment is distributed as follows:

for electric energy with a common meter—in proportion to the usage of the household electrical equipment of each owner, lessee, or renter;

for telephone service—according to the number of residents in the apartment (except children of preschool age) regardless of the number of conversations. Long-distance telephone calls are paid for by the individual who makes them;

for gas, heating, and lighting of auxiliary premises of the apartment—according to the number of members of the family living in the apartment and also temporary residents and children, beginning at school age.

42. Disputes among owners, lessees, or renters in apartments in which two or more owners, lessees, or renters reside concerning repair, upkeep, and use of auxiliary premises and the distribution of costs of municipal and other services are resolved by a comrades' court, and where appropriate—by a people's court.

## APPENDIX

### to the Rules for use of premises of residential buildings and grounds

#### Standard by-laws of a partnership (association) of owners of apartments (buildings)

#### The Creation of a Partnership (Association) of Owners of Apartments (Buildings)

1. A partnership (association) of owners of apartments in multiple-apartment buildings (single-apartment buildings) is created in order to ensure effective use of privatized apartments and management of them, and also the provision of other services, maintenance of the residential building (buildings), and the fulfillment of sanitary-hygienic requirements for the maintenance of the grounds.

2. A partnership (association) of owners of apartments (buildings) is created at the initiative of the owners. The number of members of the partnership (association) should be no less than three.

3. An action group of owners of apartments (buildings) compiles a list of citizens who have expressed a desire to create a management partnership (association), prepares a draft of the by-laws, and with the participation of representatives of the organ of territorial self-government, holds a general meeting at which a decision is made to organize the partnership (association) of owners and its by-laws are approved.

4. The decision of the meeting to organize a partnership (association) of owners and the by-laws approved at it are registered by the executive committee of the local soviet of people's deputies or the rayon state administration in the cities of Kiev and Sevastopol.

5. Effective the day of registration, the partnership (association) of owners acquires the rights of a legal entity. The partnership (association) of owners of apartments (buildings) uses a stamp and seal with its name.

6. The general meeting of members of the partnership (association) of owners elects a board and auditing committee.

#### **The Activity of a Partnership (Association) of Owners of Apartments (Buildings)—RIGHTS AND OBLIGATIONS**

7. The partnership (association) of owners of apartments (buildings) organizes the maintenance of the building (buildings), its heating, gas, water, and electricity supply, and also the participation of all apartment owners in the work and expenditures involved in maintaining the building and grounds, and it works with members of the partnership (association) and other residents for efficient use of fuel and energy resources and preservation of the building.

The partnership (association) of owners of apartments participates in expenditures related to sanitary and technical service and also repair of the residential building in keeping with concluded contracts.

In a building where some of the apartments are state-owned, the partnership (association) of owners of apartments concludes with the owner of the unprivatized apartments an agreement for joint ownership of the residential building and participation in the expenditures involved in the maintenance of the building and grounds. The agreement determines the authorized co-owner of the building responsible for the obligations of the client for maintaining the building.

Payment for heat, gas, water, and electricity is made by the apartment owners at rates set for lessees living in apartments of the state fund and in the volumes of services granted.

8. The partnership (association) of owners of apartments has the right:

to conclude agreements for the performance of work for maintaining the building (buildings), insurance, etc., in keeping with the purposes of his activity;

to organize cultural-domestic service of members of the partnership (association) and their families;

to conduct an assessment of the quality of the work done for maintaining the building (buildings) and to apply established sanctions against enterprises for failure to fulfill or for poor fulfillment of contractual obligations.

9. The partnership (association) of owners of apartments (buildings) must:

promptly make payment for apartments when they are privatized with installments;

observe the requirements of the Rules for the use of premises of residential buildings and grounds;

annually deduct funds for repair of buildings.

10. The partnership (association) of owners answers for its obligations with all property belonging to it on which a fine can be imposed under the law.

11. Disputes between the partnership (association) of owners of apartments (buildings) and state and public organizations are examined by an arbitration court.

#### **Funds of the Partnership (Association) of Owners of Apartments (Buildings)**

12. The funds of the partnership (association) of owners consists of:

initiation fees of the members of the partnership (association);

fees for repair of the building (buildings);

fees for service of the building (buildings) and grounds;

other revenues.

13. The amount of the initiation fees is determined by a general meeting of members of the partnership (association) of owners.

14. The amount of the deposits of members of the partnership (association) of owners for repair of the building is determined on the basis of the replacement cost of the apartments they occupy and the amount of the norm for deductions approved by the general meeting.

15. Deposits for technical service of buildings and sanitary service of auxiliary premises and grounds are made in amounts necessary for covering the actual expenditures of the partnership (association) of owners for these needs in proportion to the overall area of apartments occupied by owners.

16. By a decision of the general meeting of members of the partnership (association) of owners, special funds may be created for purposes in keeping with the directions of the activity of the partnership (association) of owners: improvement of the territory, cultural-educational and sports-health work among members of the partnership (association) and members of their families, etc.

17. The funds of the partnership (association) are kept in banking institutions.

#### **Rights and Responsibilities of Members of the Partnership (Association)**

18. A member of the partnership (association) of owners of apartments (buildings) has the right:

to elect and be elected to management organs of the partnership (association) and the auditing committee;

to collect from the partnership (association) the cost of repair work done at his expense or to transfer it into an account for the repair of the building if the repair work had to be done immediately and the partnership (association) did not fulfill its obligation to do the repair;

to withdraw from the partnership (association).

19. A member of the partnership (association) of owners has the right, with the consent of family members living with him, to rent part of the apartment, and if the whole family is temporarily absent—the whole apartment for a certain period. The amount of payment for rented premises is established by agreement of the parties.

20. A member of the partnership (association) of owners and members of his family living with him may, by mutual consent, permit the temporary residence in the apartment of other individuals without collecting payment for use of the premises (temporary residents). Temporary residents at the request of the owner of the apartment must immediately release the premises, and if he refuses is subject to eviction through the courts without being offered other premises.

21. When conducting repair (reconstruction) of a residential building which cannot be done without removal of the residents, the partnership (association) of owners offers a member of the partnership (association) and his family for the time of repair (reconstruction) another apartment in the building, which is leased to the partnership (association) by an organ of local state power. If they refuse to leave, the partnership (association) may demand that a member of the partnership (association) and his family be removed through the courts.

22. During the time of residence in another apartment because of repair or reconstruction, the member of the partnership (association) of owners pays rent on the apartment granted to him for the period of repair (reconstruction), and he also pays for municipal and other services.

23. Members of the partnership (association) of owners must:

fulfill the requirements of the by-laws of the partnership (association) and decisions of general meetings (meetings of authorized persons);

promptly make payments for the apartment when it is acquired on installments and deposit money to cover the expenses of the partnership (association) of owners for sanitary and technical service, repair, and performance of other work, deposits into special funds, and payment for municipal and other services;

use the apartment for its intended purpose and provide for the protection of it and the building as well as other objects and the grounds;

observe the rules for the use of premises and maintenance of residential buildings and grounds as well as the rules of fire safety, and maintain cleanliness and order in the entryways, elevators, stairways, and other auxiliary premises of the building;

conduct at their own expense current repair of the apartment, a list of jobs for which is established by a decision of the meeting of members of the partnership (association).

24. An apartment owner who is accepted for membership in the partnership (association) must follow the decisions of the general meetings (meetings of authorized persons) which assign to members of the partnership (association) certain obligations which were established before he entered the partnership (association).

25. An individual entering the partnership (association) in the place of a property owner who has departed and whose apartment was acquired on installments must sign the commitment to pay for the remaining cost of the apartment on time.

26. When an apartment is vacated by an owner who has withdrawn from the partnership (association), his initiation fee and the funds deposited for repair of the building and other purpose is not subject to refund. The indebtedness of the individual who has withdrawn from the partnership (association) for payments of the partnership (association) is collected according to the established procedure.

#### **Management Organs and the Auditing Committee of the Partnership (Association) of Owners of Apartments (Buildings)**

27. A management organ of the partnership (association) of owners is a general meeting of members of the board of the partnership (association). The general meeting of members of the partnership (association) is its highest management organ.

28. The general meeting:

a) adopts the by-laws of the partnership (association);



- b) elects the board and auditing committee;
- c) accepts citizens for membership in the partnership (association);
- d) approves and, if necessary, reapproves the planning estimates for repair of the building (buildings);
- e) sets the amount and deadline for deposit of the initiation fee;
- f) makes decisions regarding the policy for maintaining the residential building (buildings);
- g) approves the report of the board of the partnership (association) on financial and economic activity for the current year;
- h) establishes the deadline for payment and the amounts of contributions for repair and service of the residential building (buildings) and makes a decision on the amounts of the fines to be collected by the partnership (association) for late payment;
- i) makes decisions regarding the creation of special funds and establishes the amounts and deadlines for contributions to these funds made by members of the partnership (association) and also what they are to be used for;
- j) determines the policy for the expenditure of these revenues;
- k) makes decisions concerning bonuses and other forms of incentives for members of the board, the auditing committee, and other members of the partnership (association);
- l) considers complaints about the actions of members of the board and the auditing committee of the partnership (association);
- m) resolves other problems pertaining to the actions of the partnership (association).

29. If the partnership (association) has 50 or more members, instead of a general meeting of members of the partnership (association), a meeting of authorized representatives may be convened. Authorized representatives are elected at a meeting of the members of the partnership (association)—one for every three or four members of the partnership, for a term of three years.

The meeting of authorized representatives resolves the same issues as the general meeting of members of the partnership (association) except for those indicated in subpoints "a," "b," and "d" of point 27 and point 40 of the given by-laws.

30. The general meeting of members of the partnership (association) is convened by the board no less than twice a year. An extra meeting is convened at the request of one-third of the overall number of members of the partnership (association) or at the request of the board or auditing committee.

The general meeting (meeting of authorized representatives) of members of the partnership (association) is official if no fewer than two-thirds of the overall number of members (authorized representatives) of the partnership (association) participate in it. A decision of the general meeting of members of the partnership (of the association, meeting of authorized representatives) is adopted by a simple majority, and a decision to approve the by-laws of the partnership (association)—by a majority of no fewer than three-fourths of the votes of those attending the meeting of members (authorized representatives) of the partnership (association).

A decision to reorganize or eliminate the partnership (association) is made by the general meeting of members of the partnership (association) under the condition that no fewer than three-fourths of the overall number of all members of the partnership (association) vote in favor of it. A member of the partnership (association) may be replaced at the general meeting by his authorized representative. An authorized representative may represent the interests of one member of the partnership.

31. The board of the partnership (association) is the executive organ, which answers to the general meeting of members of the partnership and meeting of authorized representatives. The board is elected by the general meeting from among the members of the partnership (association) with no fewer than three individuals for a term of three years.

The board elects from among its members a chairman and his deputy (deputies). The chairman of the board is in charge of the activity of the partnership (association) and ensures the implementation of decisions of the general meeting of members of the partnership (meeting of authorized representatives) and the board.

If the partnership (association) has fewer than 20 members, a chairman and his deputy are elected instead of a board, and they have the authority of a board. The chairman, his deputy, and other members of the board perform their duties on a public basis or for pay, according to the decision of the meeting.

32. The board of the partnership (association):

provides for observance by the partnership (association) and its members of existing legislation on questions of the activity of the partnership (association) and its by-laws;

supervises the repair (reconstruction) of the building (buildings);

elects a representative to participate in the commission for accepting the building (buildings) for operation after repair (reconstruction);

provides for submitting a report on financial and economic activity of the partnership (association) for the past year and a plan for the current year, and submits

them for the approval of the general meeting of members of the partnership (association) or the meeting of authorized representatives;

disposes of the funds of the partnership (association) in keeping with the estimate of profit and expenditures for the current year approved by the general meeting of members of the partnership (association, meeting of authorized representatives);

concludes contracts and other agreements related to the activity of the partnership (association);

represents the interests of the partnership (association) in state and public organs and enterprises, institutions, and organizations;

monitors the receipt from members of the partnership (association) of money for repaying deferments, entrance fees, and payment for municipal and other services;

if members of the partnership (association) are late in making the corresponding payments, takes measures to collect them in keeping with the established procedure;

conducts correspondence and bookkeeping, and draws up reports;

when they handle their own services for the building (buildings), it hires and fires workers and employees providing service for the building (buildings) and grounds;

provides for conducting the general meeting of members of the partnership (association) or meeting of authorized representatives;

reports to the general meeting of members of the partnership (association) or meeting of authorized representatives no less frequently than once a year;

resolves other issues related to the activity of the partnership (association) with the exception of those within the jurisdiction of the meeting of members of the partnership (association) or meeting of authorized representatives.

33. Meetings of the board of the partnership (association) are convened by the chairman of the board as needed, but no less frequently than once a quarter. Meetings may be convened at the request of members of the board or auditing committee.

Decisions of the board are made by a majority of board members in attendance, by an open vote.

34. Payment documents are signed by the chairman of the board or his deputy, or by the bookkeeper, and in the absence of the latter—by members of the board in charge of the financial issues of the partnership (association).

35. The auditing committee is elected by the general meeting of members of the partnership (association) from among themselves and consists of no fewer than three individuals, who serve for three years. The auditing

commission elects a commission chairman from among its members. If the partnership (association) includes fewer than 20 members, instead of an auditing commission an auditor is elected, who has the authority of a commission. The chairman and members of the auditing commission (auditor) perform their duties on a public basis.

36. The auditing commission of the partnership (association):

monitors the observance by the board of the partnership (association) and members of the partnership (association) of legislation on questions of the partnership and the by-laws of the partnership (association);

conducts no less frequently than once a year (if necessary, with the participation of the corresponding specialists) planned audits of the financial and economic activity of the partnership (association), and reports on the results to the general meeting of members of the partnership (association) or a meeting of authorized representatives;

verifies the execution by the board of the partnership (association) of decisions of the general meeting of its members (meeting of authorized representatives);

checks on the correctness of the conclusion of agreements by the board of the partnership (association);

checks on the promptness of the consideration by the board of the partnership (association) of statements and complaints from members of the partnership and other citizens.

37. If it is revealed that the board of the partnership (association) has violated legislation on questions of the activity of the partnership (association) and its by-laws or has violated financial discipline, the auditing committee reports this to the general meeting of members of the partnership (association), the meeting of authorized representatives, and, if necessary, the local state authorities.

38. The decision of the general meeting of members of the partnership (association) or the meeting of authorized representatives to elect a board or auditing committee or individual members of them, and also the decision of the board and the auditing committee to elect leaders of these organs, are submitted within a month's time to the local organ of state power for registration.

39. Members of the board and members of the auditing committee of the partnership (association) who are to blame for the violation of legislation or the by-laws of the partnership (association) or who have caused harm to the interests of the state, the partnership (association), or citizens, or who have not kept up with their duties, may be recalled early by a decision of the general meeting of members of the partnership (association) or by a meeting of authorized representatives.

**Reorganization and Termination of the Activity of the Partnership (Association) of Owners of Apartments (Buildings)**

40. The partnership (association) must be reorganized (merged, combined, separated, divided) or its activity must be terminated by a decision of the general meeting of members of the partnership (association).

**Statute on Procedure for Transfer of Buildings to Private Ownership**

935D0076A Kiev URYADOVYY KURYER  
in Ukrainian 23 Oct 92 p 5

[Text of "Statute on the Procedure for the Transfer of Apartments (Buildings) to the Ownership of Citizens"]

[Text] Approved by order of the State Committee of Ukraine for Housing and Municipal Services of 15 Sep 92 No. 56.

**General Provisions**

1. The statute has been drawn up in accordance with the Law of Ukraine "The Privatization of the State Housing Stock" and defines the procedure for the transfer of apartments (buildings) to the ownership of citizens and the set of documents that is subject to completion.

2. Apartments in multiple-unit apartment buildings and single-occupancy homes that are used by citizens on the basis of rental are subject to transfer to the ownership of citizens.

3. Museum apartments, apartments in buildings at closed military garrisons, rooms in rooming houses, apartments designated under established procedure as unfit for habitation, official apartments (rooms) and apartments in which two or more tenants reside in the absence of agreement of all to the privatization of the apartment occupied are not subject to privatization.

4. The privatization of apartments in buildings included in plans for modernization is implemented after their completion by the owner (possessor) of the building. The tenants who were living in the building before the start of modernization have priority right to the privatization of those apartments.

5. The transfer of occupied apartments (buildings) to private (for single tenants) or common (joint or partial) ownership is accomplished by written agreement of all competent (age of 18 or more years) members of the family with the mandatory designation of the authorized owner of the apartment (building).

The family members of the tenant include only citizens who reside permanently in the apartment (building) together with the tenant or reserved the right to residence at the moment the Law of Ukraine "The Privatization of the State Housing Stock" went into effect, that is, 22 Jul 92.

6. The transfer of housing to the ownership of citizens is accomplished without charge and proceeding from the computation of sanitation norms (21 square meters of common area for the tenant and each member of the family and an additional 10 square meters for the family).

7. The common area of an apartment (building) is defined as the sum of the areas of living and subsidiary premises of the apartment (building), verandas and built-in closets as well as the areas of porches, balconies and terraces, which are taken into account using the factors of 0.5 for porches and 0.3 for balconies and terraces.

The dimensions of the common area that belongs to each tenant in an apartment where two or more tenants reside is defined as the sum of the areas of the residential area occupied counting the area of balconies, porches and terraces and the area of subsidiary premises of the apartment, which is divided among all the tenants in proportion to the area of the residential rooms they occupy.

8. If the common area of the apartments (buildings) that are subject to privatization corresponds to the area that is stipulated in Paragraph 6 of this statute, the indicated apartments (buildings) are transferred to the tenants and members of their family at no charge.

9. If the common area of the apartment is less than the area that a tenant and his family has the right to obtain free of charge, the tenant and the members of his family are issued housing vouchers, the amount of which is determined proceeding from the amount of space lacking and the corresponding value of one square meter.

10. If the common area of an apartment (building) exceeds the area that a tenant and his family has the right to obtain free of charge, the tenant makes payment in money or securities received from the privatization of state enterprises. The amount of the payment is determined by the product of the excess common area and the corresponding value of one square meter with allowance for the consumer quality factor of the apartment (building).

The consumer quality factor is determined by the locals Soviets of People's Deputies or bodies authorized by them to do so, building by building, before the start of privatization in accordance with the statute approved by the Ukraine Cabinet of Ministers.

11. Payment for the value of excess area of privatized housing may be made by citizens by installments over ten years provided the first payment, in the amount of no less than ten percent of the amount subject to payment, is made. The citizens therein give the privatization body a written promissory note to pay off the amount of the value that remains unpaid.

12. Transferred to the ownership of citizens free of charge regardless of the dimensions of the common areas are any of the following they occupy:

—one-room apartments;

—apartments (buildings) that were received at the time of demolition or the resettlement of all families from buildings (parts of buildings) that belonged to them by right of ownership, if the former owners have not received monetary compensation for those buildings (parts of buildings);

—apartments (buildings) in which citizens reside for whom this privilege has been stipulated by the Law of Ukraine "The Status and Social Protection of Citizens Who Have Suffered as a Consequence of the Chernobyl Disaster";

—apartments (buildings) in which reside citizens who have been awarded the titles of Hero of the Soviet Union, Hero of Socialist Labor, the decoration of Glory 3rd degree, veterans of the Great Patriotic War, internationalist soldiers, invalids in groups I and II, invalids since childhood, veterans of labor who have worked for no less than 25 years, or 30 years for women, people who are veterans of the armed forces and repressed individuals who have been rehabilitated under the Law of Ukraine "The Rehabilitation of Victims of Political Repressions in Ukraine";

—apartments (buildings) in which reside the families of those who perished in the fulfillment of state and social duties and in production;

—apartments (buildings) in which reside servicemen for whom the privilege has been stipulated by the Law of Ukraine "The Social and Legal Protection of Servicemen and the Members of Their Families"; and

—apartments (buildings) in which reside families with many children (families that have three or more underage children).

Every citizen of Ukraine has the right to privatize the state housing occupied by him under the terms defined by the Law of Ukraine "The Privatization of the State Housing Stock" one time.

13. The privatization of the state housing stock is accomplished by the authorized bodies created by the local state executive authorities or by the state enterprises, organizations and institutions with full economic authority or operational control of that state housing stock.

14. The transfer of apartments (buildings) to the ownership of citizens is accomplished on the basis of resolutions by the corresponding privatization bodies that are adopted no later than a month from the day of the receipt of the application from the citizen.

15. The preparation and completion of the documents for the transfer of apartments (buildings) to the ownership of citizens may be entrusted to a specially created agency, bureau or other organization that fulfills the duties entrusted to it on contract terms with the privatization body.

16. The transfer of apartments (buildings) to the ownership of citizens with additional payment, without charge or with compensation is officially registered by certificate of the right to ownership of an apartment (building) that is recorded at the privatization bodies and does not require attestation by a notary.

17. State housing stock that is under the complete economic authority or operational control of state enterprises, institutions and organizations may at their desire be transferred to communal ownership in place of the disposition of the buildings, with their subsequent privatization by the bodies of local state administration or local self-government in accordance with the requirements of the Law of Ukraine "The Privatization of the State Housing Stock."

#### **Set of Documents and Procedure for Completing Them in the Transfer of State Housing to the Ownership of Citizens**

18. A citizen who has expressed a desire to privatize an apartment (single-family building) occupied by him and the members of his family applies to the privatization body or to an enterprise it has created in order to fill out the documents where the blank forms and the necessary advice are located.

19. When the tenant or the members of his family have privileges to the payment-free receipt of the housing they occupy regardless of the size of the common area, the corresponding document (copy of attestation, certificate or the like) that confirms the right the privileged terms of privatization is attached to the application.

The agreement of temporarily absent members of the family of the tenant to the privatization of the apartment (building) is confirmed by letter and attached to the application.

20. The citizen gets certification of the composition of the family and the premises occupied from the enterprise that serves the residential building when completing the application for privatization of an apartment (building).

21. The members of the family of the tenant who are registered and reside together with him, as well as temporarily absent individuals who have retained the right to housing, are indicated in the certificate.

Newborns are indicated in the certificate, and the norm for space that is transferred for free, is taken into account regardless of the date of their birth and the entry into force of the Law of Ukraine "The Privatization of the State Housing Stock."



22. A register on the premises occupied by the tenant and their area is kept apropos of the inventory materials, and is kept at the state enterprise for maintaining the housing. In the absence of any inventory materials or a failure of the information to correspond to the actual situation that was caused by the performance of repairs or modernization to the building, the enterprise for servicing the housing replenishes them through the technical inventory bureau. Data essential for the privatization of apartments (buildings) may be clarified via investigation by the enterprises to which the duties of completing the documents on the privatization of the state housing stock were entrusted.

23. A completed application for the privatization of an apartment (building) with certification of the composition of the family and the premises they occupy, as well as a document that attests to the right to privileged terms for privatization appended to it, is submitted by the citizen to the privatization body of the local state administration, executive committee of the local Soviet of People's Deputies or state enterprise, organization or institution where they are recorded.

24. A recorded application is transferred to the enterprise for the completion of the documents. The privatization body, where necessary, clarifies the necessary data for the computations depending on the composition of the family and the size of the common area of the apartment (building), completes the calculations and issues the order. This work is performed at enterprises created to complete the documents by the indicated enterprise (aside from the formulation of the order).

25. The order to the privatization body on the transfer of the ownership of an apartment in which two or more tenants reside is prepared with the mandatory inclusion of all tenants in it simultaneously. In the absence of agreement on privatization by all tenants, the apartment is not subject to privatization.

26. A deed [*passport*] to the apartment, and for a single-family building a deed to home ownership, is prepared on the basis of a completed order that is certification of the right of ownership to the housing and is recorded in a special recording book.

27. The question of the utilization of the grounds adjoining buildings and the recording of plots of land will be resolved in accordance with the prevailing land legislation of Ukraine.

28. Information on the recording of the right of ownership of housing and copies of certificates to the right of ownership of housing and the deed to an apartment (building) are transferred once a quarter by the privatization body to the technical inventory bureau.

29. Once a tenant has expressed a desire to pay for the value of excess common area of a privatized apartment (building) on an installment basis, a promissory note is composed on the payment of the remaining amount.

30. The following notation is made in the passports of all family members of the owner of competent age and in the birth certificates of underage individuals upon the issue of ownership of an apartment (building): "The right to the privatization of housing free of charge has been utilized in the amount of square meters with a norm of square meters of common area."

31. The time for the completion of the documents from the date of recording of the application by the citizen to the issue of his recorded certification of the right to ownership of an apartment (building) should not exceed one month.

32. If an association of owners of apartments has not been created, an agreement to participate in expenditures to maintain the building and the adjoining grounds and to receive municipal and other services is concluded by the owner of a non-privatized apartment with the owner of a privatized apartment upon the issue of a certificate of the right to ownership of housing in a multiple-unit building that is being privatized.

33. The size of the expenditures by the owners of apartments in multiple-unit buildings that have privatized in accordance with the law or have been purchased from the state before the adoption of the law for the maintenance of the building and the adjoining grounds, in accordance with the provisions of Article 13 of the Law of Ukraine "The Privatization of the State Housing Stock," should not exceed the size of the apartment rent and the value of the municipal services that they paid monthly when they were tenants in the apartments.

34. The owners of apartments create an association of owners of apartments in a multiple-unit building that has been privatized in accordance with the requirements of the law if three or more apartments had been sold beforehand. The owners of non-privatized apartments conclude an agreement with the association of owners of apartments, after registration of the status of the association of owners of apartments, on the mutual possession of the building and shared participation in the expenditures for the maintenance of the building and the adjoining grounds, with the simultaneous designation of the general contractor for issues of the servicing and repair of the building.

35. If all the apartments in a multiple-unit building have been transferred to the ownership of citizens, the association of owners concludes with the state municipal enterprise for the maintenance and repair of housing an agreement to maintain the building.

36. The state municipal enterprises for the maintenance and repair of residential buildings every month writes the privatized housing off the balance sheet of basic activity on the basis of the decisions made to transfer the apartments (buildings) to the ownership of citizens.

37. The value of privatized housing that is subject to write-off is determined by the balance-sheet value of one

square meter of common area of the residential building at the moment of write-off and the common area of the privatized housing.

38. The value of services in completing the documents for the privatization of apartments and buildings is determined by rates proceeding from the cost of performing them that are approved by the local state authorities.

39. Any citizen who privatizes the housing he occupies without charge, with compensation or with additional charges is considered to have exercised his right to the receipt of housing without charge from the state. The receipt of new housing from the state may be accomplished on a paid basis with the use of housing vouchers obtained in privatization.

40. The privatization of non-housing premises built into residential buildings that are intended for social and domestic services for the citizens at their place of residence (stores, druggists, libraries and polyclinics, among others), or that are leased by legal or physical persons, is accomplished by the former owner of the building after the completion of the privatization of the apartments in them and with the consent of the association of owners of apartments that has been created.

41. Auxiliary premises of residential buildings that are intended for supporting the operation or maintenance of the building (heating and boiler facilities, rubbish and carriage areas, enclosures through which service lines have been run, as well as enclosures that are used to accommodate personnel maintaining the building and storage facilities) are not subject to privatization. The owner of the enumerated facilities, after the privatization of apartments of a building, is the association of apartment owners. Free basement accommodations, by consent of the owners of the apartments of the building, are refitted as storage areas and transferred to their ownership without charge under established procedure.

42. Free non-residential facilities may be sold by the owner of the building to the association of apartment owners or other legal individuals (enterprises, organizations, institutions), primarily on a competitive basis, at the actual value of the construction of the common area of the buildings at prices that have taken shape by the moment of sale. The association of apartment owners has the preferential right to acquire those facilities.

43. The owners of non-residential areas of the building are the co-owners of the building, and conclude with the other co-owners an agreement on the joint possession of the building and shared participation in the expenditures for its maintenance.

#### **Goldfield Discovered in Dnepropetrovsk**

93UN0366B Moscow NEZAVISIMAYA GAZETA in Russian 19 Nov 92 p 4

[Unattributed NEGA report: "Gold in Ukraine"]

[Text] A goldfield has been discovered in Dnepropetrovsk Oblast. One tonne of ore contains 0.8 grams of highly pure gold. For comparison, in Alaska the content of gold is 0.3 grams per tonne of ore. Deposits of platinum, copper, zinc, and lead were also discovered.

#### **Trade Union Federation Congress in Kiev**

93UN0366C Moscow TRUD in Russian 24 Nov 92 p 1

[Article by Stanislav Prokopchuk: "A Professor Will Command the Trade Union Ship"]

[Text] The second (extraordinary) congress of the Federation of Independent Trade Unions of Ukraine has completed its work in Kiev. The program and by-laws of the largest trade association of the sovereign state were adopted. The word "independent" was removed from the name of the Federation. Of six candidates for the post of chairman of the Federation of Trade Unions, Aleksandr Nikolayevich Stoyan, a senior consultant to the administration of the president of Ukraine, doctor of historical sciences, and professor, won with a clear majority in the very first round of voting.

The question of the forms and methods of fighting for the social rights of working people was one of the main questions which aroused fervent discussions in the 2-day debates of the congress. A program of more active participation by trade unions in the country's political life and their inclusion in the formation of the legislative organs of power on an equal level with political parties and movements won out. At the present time there are only three "trade union" deputies in Ukraine's parliament. The delegates spoke in favor of creating strong trade union factions both in organs of local power and in organs of supreme power so that the parliament would henceforth not make decisions which discriminate against trade unions. Vigorous political actions by trade unions are especially necessary during the formation of the parliament and election of the president. In everyday activity relations of trade unions and organs of state power should be built on the principles of social partnership and civilized negotiations where the state can strengthen the trade unions and they in turn try to create the prerequisites for reducing social tension in labor collectives.

The Congress spoke in favor of consolidating all trade unions of Ukraine, creating a united national trade union center, and restoring relations with the trade union centers of the CIS.

#### **INTERNATIONAL AFFAIRS**

##### **Ukrainian Papal Nuncio Archbishop Franko on Relations with Holy See**

93UN0309A Kiev GOLOS UKRAINY in Russian 30 Oct 92 p 10

[Interview with Archbishop Antonio Franko, papal nuncio to Ukraine, by Aleksey Yevsikov; date and place not given: "The Holy See Has Special Interests"]

[Text] From the files of GOLOS UKRAINY—He was born in 1937 in Puglianello (Italy). He was ordained in 1960. He is a doctor of theology and canon law. He joined the diplomatic corps of the Holy See in 1972. He worked in the offices of the papal nuncio in Bolivia, Iraq, and France and the mission of the permanent observer from the Holy See to the United Nations. He began working in the Department for Relations with States (the foreign policy office) of the Vatican State Secretariat in 1988.

He is fluent in French, Spanish, and English.

[Yevsikov] What was the Vatican's reason for establishing diplomatic relations with Ukraine?

[Franko] First of all, I would like to clarify and explain a few things for your readers' benefit. The diplomatic relations were not established between the Vatican and Ukraine, but between the Holy See and Ukraine. The Vatican is a small state in Rome. The Holy See is the central administrative board of the Catholic Church. The pope is the head of the pastoral administration of the church.

For this reason, the Holy See, a spiritual authority, was not motivated by political or economic interests when it established diplomatic relations with Ukraine. Above all, the Holy See wishes to do spiritual work in support of Ukraine's rebirth as an independent state and, in particular, to promote freedom and the observance of human rights for all of the citizens and ethnic groups living here. It also wants to make certain that the people will make spiritual advances as well as material ones. In addition, obviously, the Holy See will concern itself with the interests of the Catholic communities (of the Byzantine and Latin rites) in Ukraine.

[Yevsikov] People have had much to write and say recently about the so-called Catholic expansion in the East. Is it true that the Vatican hopes to "Catholicize" the traditionally Orthodox East Ukraine, Belarus, and Russia?

[Franko] This is an extremely important question and I am glad you asked. It is true that much has been said about Catholic expansion in the East and that the Catholic Church is being accused of proselytizing—i.e., "Catholicizing." I believe the time has come for a calmer and more objective assessment of the Holy See's activities in Ukraine and other states of the former Soviet Union.

When the Holy See reorganized the hierarchy of the Catholic Church in the Soviet Union in 1991, it was fulfilling one of the fundamental obligations of the pope, who is the supreme pontiff of the church on earth. In other words, it tried to fill the religious needs of Catholics in the territories where these believers had been deprived of religious freedom. It began by asking bishops to reorganize the religious affairs of Catholic communities by dividing each church territory into dioceses (or eparchies). The Holy See did not make this request of bishops in locations where there were no Catholics, but

only in the places where Catholics had been living for a long time or had been resettled or exiled by the communist regime. Roman Catholic dioceses have existed in Ukraine since 1300.

For this reason, I can categorically deny the accusations that the Holy See is trying to Catholicize East Ukraine, Belarus, and Russia. Catholics have always lived in these territories, where the majority of the population is Orthodox, and the Holy See has always taken an interest in their religious well-being.

Today the Holy See has two main guiding principles: a) the observance of the religious freedom of the individual—i.e., respect for his religious feelings and beliefs; b) ecumenism—i.e., the hope of uniting all churches. The Holy See has been sincere and patient in its support of the ecumenical dialogue because it has the deepest respect for the Orthodox Church. It has demonstrated this several times, particularly at the time of the millennium of Christianity in Kievan Rus. At the same time, the Holy See is not denying its duty to fill the evangelical needs of Catholic communities after the long years of compulsory atheistic education. By the same token, the Catholic Church cannot close the door to those who wish to become Catholic. It has to respect the personal choice of each individual. Assistance in this choice cannot be called proselytizing, or "Catholicizing."

The unity of Christ's church is a cause to which all Christian churches feel committed. The Holy See is conducting an ecumenical dialogue with other churches precisely for the purpose of finding ways to achieve the kind of unity Jesus Christ wants. The Holy See is certain that proselytizing can only hurt the cause of unity, but the conscience of each individual has to be respected. We can encourage and assist a brother in religious matters, but we cannot suppress his conscience.

[Yevsikov] What does the papal capital you represent in Kiev think of the possibility of the reconciliation of Ukrainian Greek Catholics with the Ukrainian Orthodox Church?

[Franko] The Holy See not only approves of this reconciliation but is even striving to promote it. Peace between all of those who believe in Christ is possible and necessary, even if they have not achieved genuine unity yet. Everyone must work toward religious peace in Ukraine so that there will be no more conflicts over religious structures.

First, however, we have to avoid lies and confusion. Reconciliation does not require the denial of one's own faith. To become Catholic, the Greek Catholic Church in Ukraine has to achieve a certain degree of unity with the Holy See and submit to the spiritual authority of the pope. The same can be said of the Orthodox Church's relations with Constantinople. The Catholic Church is universal. To put it more precisely, I would say that there is no "Ukrainian," or "Italian," or "French" Catholic Church; there is only the Catholic Church in Ukraine, in Italy, in France, and so forth. It is precisely for this

reason that the community of the Catholic Church with the pope cannot have any adverse effects on the political independence of any state. After all, the Holy See is not a political authority. It is a spiritual authority and it encompasses and acknowledges each nationality and each state and culture.

If, however, some people think that the reconciliation of the Ukrainian Orthodox and Greek Catholic churches would signify the creation of a single "national" church, I can frankly tell them that they are confusing religion with politics.

[Yevsikov] At one time there was much talk about the possibility that Pope John Paul II would visit Ukraine. Does the pope have any such plans for the future?

[Franko] The possibility of a papal visit to Ukraine was discussed extensively after President Gorbachev of the former USSR invited him to Moscow.

As you know, Pope John Paul II has visited many states, and not all of them were states where the majority of the population is Catholic. I can think of no reason that he would not visit Ukraine. There are many Catholics here. I am certain that when conditions for this kind of trip are favorable, the pope will come. Furthermore, I think these conditions will exist in the near future.

[Yevsikov] Please tell us something about yourself. In particular, what is your favorite pastime?

[Franko] I like music and literature, especially poetry. I like to read books on psychology and theology. I must say, however, that I have not had much free time for many years. I have duties other diplomats do not have. I spend most of my free time now studying the Ukrainian language!

[Yevsikov] Thank you for the interview.



## BELARUS

### Social-Democrats Condemn Referendum Decision

93P50022A Minsk NARODNAYA HAZETA  
in Belarusian 11 Nov 92 p 2

["Statement by the Central Council of the Belarusian Social-Democratic Association"]

[Text] The events of 29 October 1992, when the Supreme Council of the Republic of Belarus discussed the question "Concerning the holding of a republican referendum proposed by a group of citizens of the Republic of Belarus," clearly showed that the Supreme Council is not capable of implementing laws that it itself enacted. Awkward attempts of certain deputies to prove that the initiators of the republican referendum committed gross violations of the Law of the Republic of Belarus on the Popular Ballot (Referendum), are legally unfounded, and as indecent attacks on the Central Referendum Commission of the Republic of Belarus and its chairman, are nothing other than a petty political act for retaining power with self-interested motives.

We call the attention of the citizens of Belarus to the unconstitutional decree of the Belarus Supreme Council: On the Necessity for the Acceleration of Constitutional Reform in the Republic of Belarus. Its adoption has a declarative character and does not place any legal obligation on the Supreme Council of Belarus in the section on holding "elections in March 1994 for the new highest organ of state power in the Republic of Belarus." Less than two-thirds of the peoples deputies voted for this, which violates the norms of the present Constitution of the Republic of Belarus.

The adoption of a new constitution, which could lend legitimacy to the abovementioned decree, is being blocked by the large post-communist lobby in the Supreme Council, which in fact makes the adoption of the Basic Law of Belarus impossible either in 1993 or 1994.

The Central Council of the Belarusian Social-Democratic Association registers a protest against the violation of laws by the Supreme Council and considers it necessary, as it did previously, to demand, by lawful means, a change in the present composition of the Supreme Council of the Republic of Belarus through early elections.

The Central Council

Belarusian Social-Democratic Association

Adopted 7 November 1992

### Income Tax Rate Tables Published

93UN0325A Minsk SOVETSKAYA BELORUSSIYA  
in Russian 6 Nov 92 p 3

[Announcement of the Ministry of Finance of the Republic of Belarus Regarding Personal Income Tax Rate Schedules Introduced on 1 November 1992]

[Text] In compliance with Point 2 of the decree of the Council of Ministers of the Republic of Belarus of 16 April 1992, No. 211 "On adoption of personal income tax rate schedules in connection with the change in the monthly minimum wage" the Ministry of Finance of the Republic of Belarus introduced changes in the personal income tax rate schedules which were adopted by decision of the Ministry of Finance of the Republic of Belarus setting them as follows as of 1 November 1992:

1. The following taxes are levied on incomes indicated in Article 7 of the Law of the Republic of Belarus "On personal income tax:"

Amount of monthly income less minimum monthly wage	Tax
Up to 13,400 rubles	12 % of taxable income
From 13,401 to 18,800 rubles	1,608 rubles plus 15 % of amount over 13,400 rubles
From 18,801 to 26,000 rubles	2,418 rubles plus 20 % of amount over 18,800 rubles
From 26,001 to 37,000 rubles	3,858 rubles plus 30 % of amount over 26,000 rubles
37,001 rubles and over	7,158 rubles plus 50 % of amount over 37,000 rubles

2. Income tax to be levied in the following amounts on remuneration paid to persons listed in Article 14 (including heirs of creators whose works, translations, discoveries, inventions, or industrial models are used commercially for the first time)

Annual income	Tax
Up to 24,000 rubles	4 % of income
From 24,001 to 39,000 rubles	960 rubles plus 8 % of amount over 24,000 rubles
From 39,001 to 160,800 rubles	2,160 rubles plus 12 % of amount over 39,000 rubles
From 160,801 to 225,800 rubles	16,776 rubles plus 15 % of amount over 160,800 rubles
225,801 to 312,800 rubles	26,526 rubles plus 20 % of amount over 225,800 rubles
From 312,801 to 443,000 rubles	43,926 rubles plus 30 % of amount over 312,800 rubles
443,001 and over	82,986 rubles plus 50 % of amount over 443,000 rubles

3. Income tax to be levied in the following amounts on incomes indicated in Article 17 of the law:

Amount of annual taxable income	Tax
Up to 160,800 rubles	12 % of taxable income
From 160,801 to 225,600 rubles	19,296 rubles plus 15 % of amount over 160,800 rubles
From 225,601 to 312,000 rubles	29,016 plus 20 % of amount over 225,600 rubles
312,001 to 444,000 rubles	46,296 rubles plus 30 % of amount over 312,000 rubles
444,001 and over	85,896 rubles plus 50 % of amount over 444,000 rubles

The rate schedule for income earned at the principal place of employment, as in May-October of this year, applies not to the total wage but to earnings less the minimum monthly wage.

A minimum monthly wage of 2,000 rubles was established as of 1 November therefore it is necessary to subtract 2,000 rubles from the gross wage, applying the established rate schedule to the balance (taxable earnings).

Thus a tax in the amount of 1,608 rubles will be withheld from earnings of 15,400 rubles, i.e. 15,400 rubles - 2,000 rubles = 13,400 rubles, and using the schedule we find the amount of tax.

For example, the earnings of a worker at his principal place of employment in November amounted to 15,000 rubles. Taxable income is determined to be 13,000 rubles (15,000 rubles - 2,000 rubles). The tax on 13,000 rubles is levied at the above cited rates (Article 3 of the law) at 12 percent of 13,000 rubles amounting to 1,560 rubles.

A similar order of determining the income tax applies to revenues derived from entrepreneurial activity. The only difference being that accounting is made of the total annual income which is reduced by the amount of the minimum annual wage if the entrepreneur does not have a principal place of employment. In cases where the entrepreneur has a principal place of employment the amount of income from entrepreneurial activity is not reduced by the amount of the minimum annual wage and the entire amount of income is taxed.

#### Swedish Reporter on Banking System, Trade Ties

934A0204A Stockholm SVENSKA DAGBLADET  
in Swedish 26 Oct 92 p 8

[Article by Torgny Hinnemo: "Belarus Lags Behind With Privatization"]

[Text] While share certificates for state property are being distributed to the Russian public, the parliament in neighboring Belarus is still pondering its privatization program.

"During the next year perhaps 15 percent of the nation's companies can be privatized. It would not be wise to proceed faster. Perhaps another 15 to 20 percent in 1994."

This was the view of Jevsei Machlin, chief counselor to the prime minister of Belarus and acting director of the government's economic planning office, Gosekonomplan.

A few years ago a similar statement coming from a person in this position would not have been a viewpoint, but rather, a clear directive. Gosekonomplan is indeed nothing more than the old Gosplan, the institutional colossus that held all the strings in the Soviet planned economy. Today, Gosekonomplan is the government's instrument charged with the objective of finding a path toward a market economy.

#### A Cautious Line

More and more it is the parliament that has the final word. The elected members represent a cautious line that reflects the frustration perestroika engendered during the changeover in economic systems in the period before the most recent parliamentary election.

"Many of the elected members are very negative to privatization. It is therefore difficult to say what position the parliament will take," said Machlin.

The plan is for privatization to be taken up for discussion in the middle of November. Many state companies have themselves already requested conversion into stock companies. All too often, in the government's opinion, the applicants aspire to become private companies. With regard to ownership of the land, the cities and the nation find themselves to some degree pitted against each other. The government's policy has been to avoid dispute through pursuing compromises in parliamentary committees.

There is great concern that the whole economic reform could bog down even further if the parliament, which is under fire, were forced to resign. The opposition has recently succeeded in collecting a sufficient number of signatures to demand a referendum on the public confidence in its elected representatives. The reform-minded president, Stanislav Shushkevich, belongs to those who would not care to see a new parliament despite the problems he has with the present one.

Machlin does not regard the fact that Belarus aims at an even slower privatization than Russia as an expression of conservatism.

"The way I see it we are guided less by euphoria and we put more emphasis on the actual problems," he said.

"In East Germany we saw how considerable resources were needed overall to streamline its industries. We cannot place the major part of our industry on someone else's shoulders during this phase."

Approximately 60 percent of Belarus's exports have gone to Russia. To a great extent, this has consisted of motor vehicles, electronics, household appliances, products of the chemical industry, meat and dairy products. In exchange, Belarus imports most of its raw materials, primarily from Russia.

For the present, strong ties to the Russian economy deter the country's leadership from attempting to introduce its own currency. Nevertheless, the first batch of Belarus rubles, manufactured in Germany, have arrived in Minsk. For the moment they serve chiefly as pressure against Moscow. But should the Russian Government and state bank prove unable to get a clearinghouse system for rubles operating within a reasonable time, the Belarus currency could be put in circulation on short notice.

#### **Firm in Rubles**

Currently, payments to Belarus industries and institutions, valued at approximately 25 billion rubles, are frozen fast in the Russian banking system. At today's exchange rate, it corresponds to approximately 75 million dollars. But on the transaction day, in many cases several months back, rubles could have been exchanged for a rate six times more favorable.

Even if Belarus generally follows Russia's deregulation of prices, the state will still continue to determine the cost of 15 percent of the goods at retail.

Belarus' most important partners in foreign trade for cash are Poland, Austria, Switzerland, and Germany. Sweden accounts for a paltry two-thousandths percent.

Even though Belarus has chosen a slow tempo for domestic reform of its economy, the country early on put legislation in place for the protection of foreign investors. Recently, the country also settled its share of the Soviet Union's debt to the West.

#### **Banking Dilemma for Industry**

Somewhere in the Russian clearing system there are 370 million rubles which belong to the Belvar firm of Belarus's capital city. It corresponds to more than eight years annual salaries of the concern's 10,000 employees. Of that amount, 250 million rubles have already been delayed more than four months.

"Within Belarus, a transfer never takes more than two days. I think that someone inside the Russian banking system profits by delaying the payments, though I don't know for sure that this is true. Companies in Russia have precisely the same problems as we do with the banks," said Belvar Managing Director Nikolai Yerochov.

#### **Acute Crisis**

Belvar was, among other things, a leading producer of measuring instruments in the former Soviet Union. When the Army, a major buyer of guidance systems, reduced its orders last year, the concern fell into an acute

crisis. At the same time, the overall harsh economic situation has led to a reduction in demand of civilian products. More than half of the 10,000 employee positions in three factories in and around Minsk are threatened.

On the other hand, the concern has experience in manufacturing new products quickly. After the nuclear power plant catastrophe at Chernobyl six years ago, Belvar developed in the space of four months a series of dosimeters for individual use, as well as other equipment to measure radioactivity.

Now the firm is concentrating on articles in demand by affluent households and institutions in its own and the Russian market. Among these are cooking appliances, electric tools, spinning reels, instruments for food preservation, home computers, medical diagnostic equipment, telecommunications equipment, and circuits for TV channel selectors. Some of these products—household mixers and oscillographs for medical monitoring—we observed being manufactured in one of the factories during a tour of the premises.

Boris Nikolaevich, who conducted us around, shook his head.

"Think of seeing a foreign correspondent with a camera slung over his shoulder on these premises. This was top secret just a year ago. It was right here that the big race with the United States was taking place," he said.

Ingenuity and the development of new products, however, are not the only essentials for a progressive firm that wishes to survive into the new society.

Belvar's deficit is estimated at current monetary values to be close to 10 billion rubles. To translate this amount into German marks, dollars, or kronor in today's speculation-driven currency market is not especially meaningful. Even without such comparisons the figure is impressive and the obligation of the owner, that is to say the state, to rescue its investments from today's chaos is hardly surprising.

Internal conversion of the industry would demand enormous investment and retraining of personnel. At the same time, a number of external problems over and above the weak economic situation have to be grappled with. Important subcontractors located in other CIS [Commonwealth of Independent States] countries have been put out of commission because of civil wars. Contacts with customers in hard currency countries have been cut off. All export went through the central organ in Moscow which is now being dismantled. The new CIS states are passing economic laws that collide with each other and put a damper on trade.

#### **Former Lenin Factory**

Belvar, known as the Lenin factory until recently, does not aim at full privatization within the foreseeable future. On the contrary, an attempt is being made to find

a form of part-ownership for the workers in order to increase employee motivation.

The inflation of the ruble and the lack of a functioning clearing house system in Russia is an added impetus to go after the export markets. On the way from the interview we met a German consultant at the door who was arriving for his first meeting with Yerochov. In three months' time he must come up with a plan for marketing abroad and suggest a new organizational structure.

Today Belvar is looking for potential customers, above all, in Germany and Italy. But Yerochov also believes he has found buyers for the company's dosimeters in the United States. In return, Belvar, like most other companies in the CIS, wants Western technology to improve its production. A cash business is out of the question. The 32,000 dollars the company had on its books in the Soviet foreign trade bank were frozen a year ago. What Belvar can offer is joint ownership, in the event new production can be started up in Belarus.

#### Swedes in Untested Territory

Both veterans and newcomers are trying their luck in Belarus.

When Swedish trade recently made its appearance in Belarus's capital city, a man strode forward with a chair to Ikea's table. The seat and backrest in burgundy imitation leather were very nice, said the people from Ikea. But it would be handsomer with a frame in black enamel rather than chrome. The next day the man came back with the chair black-enameled and signed the contract.

Fast decisions do not always lead to fast deliveries in the former Soviet Union, however. Another Swedish company is still waiting to get an oil shipment, the fruits of a similar Swedish appearance in Turkmenistan last spring. Now the Swedish company has decided to have some tank cars built in Ukraine in order to carry its oil out.

It is seldom the first contact actually leads to a business contract.

"Often three years will go by after the presentation of the concept until a contract is written," said Christer Casell of Nordbanken. The bank worked in conjunction with the trade division of the Swedish Embassy in Moscow to arrange the "Swedish Days" in Minsk.

#### Falling Imports

Despite falling imports in the CIS nations, Swedish companies have succeeded in increasing their sales somewhat this year. However, Austria and Germany are marketing themselves much more aggressively in Belarus.

"Clearly it is pleasanter to go to an exposition in an EC country," said Casell.

"Still, I am surprised that more small and middle-sized Swedish companies are not here."

When the Soviet Union dissolved, many businesses in the new sovereign states lost contact with their export markets. Their customer lists were kept in the now defunct central organ in Moscow, which had a monopoly on foreign trade.

"We have been forced to start over from the beginning," said Pyotr Kovalyov, director of marketing for a company with 10,000 employees that earlier sold electrical measuring equipment to the United States, among others.

"Swedish Days" in Minsk is one of several initiatives designed to promote direct contact between Swedish companies and the former Soviet Union. A similar event was held a year ago in Ukraine's capital city, Kiev. Last spring, a large Swedish business delegation travelled around in Central Asia and in November will visit a number of cities in the Ural mountains.

#### New Arrival

Most of the 21 companies represented in Minsk have been established on Soviet soil for a long time. An exception is the Eskilstuna company, Idesta, which sells equipment for catering services and restaurants.

"We are here in order to learn more about this market. It costs us little to come over and exhibit," said Sonny Nordmarck of Idesta.

Belarus has until now been untested territory also for the Capitole Group's consultants. Recently it established itself in Moscow.

"However, we notice that people here prefer to avoid going through Moscow," said Hakan Adolfson who represents Capitole in Luxembourg and Bremen. He believes that the group will ultimately establish itself in Minsk through a consultant active in the area. He and his colleagues are taking home from the Belarus visit some 40 proposals from local businesses for analysis. Like many other Swedish companies who are aiming at the former Soviet market, Capitole does not expect rapid returns.

"The need for training is so very great here. It is in this area, I think, we could make a start," said Adolfson.

#### Big Dairy Market

Companies who have already plowed and continue to plow large investments into the CIS countries are, among others, Sandvik and TetraPak/Alfa Laval. Sandvik has a jointly owned factory manufacturing bimetallic instruments in Minsk, and Tetra Pak/Alfa Laval opened a public relations office during the Swedish Days.

"Given the fact the dairy market is large in Belarus, it is obvious that we must locate here," said Tetra/Alfa's Moscow chief Jan Hildingstam. Like many others, he



sees the presence in the CIS as a long-term investment. Alfa Laval plans to start up an assembly plant in Moscow to facilitate trade with countries in the ruble zone.

At Sandvik's Minsk factory, which has 75 employees, bimetallic instruments have been manufactured for three years. Semyon Elimelach, who is responsible for quality control, praised the work environment in which all processes hazardous to humans are performed automatically in closed compartments. Just then the factory's Russian assistant director passed by.

"No conversations on policy or economics with the personnel," he said gruffly to the SVENSKA DAGBLADET representative.

"You must speak only with the Swedish director about such things."

A general trend among Swedish companies doing manufacturing in the CIS is apparently to aim at majority ownership in the companies in which they do not already have it, and to take a firm grip on the leadership. The authoritarian-bound local assistant directors interpret policies in their own way.

The questions Belarus journalists ask Swedish representatives echo the visiting ministers and Belarus businessmen. What will you buy from us? Are you prepared to manufacture your products here? Can we pay in rubles? A distinct disappointment is detectable in the fact that none ask about, say, electronic products, of which the Belarus companies are among the leading manufacturers in the CIS.

#### Shortage of Hard Currency

Nothing is impossible. Tetra-Pak rents out packaging machines and sells packaging materials for rubles. But in as much as there is a shortage of hard currency, Swedes are most interested in the barter of raw materials for the Swedish paper industry and in meat, which has become too expensive for Russia to buy. Transporting birches from Belarus through Poland or Lithuania, meanwhile, is expensive. And would it work to sell Belarus pork and beefsteak to Sweden?

"No, but to Russia," said a Swede who wrapped his right arm behind his neck to pull his left earlobe.

"Trade between Russia and Belarus happens in just about the same way as scratching oneself in the ear like this," he guffawed.

### MOLDOVA

#### Snegur Visits Beijing, Other Chinese Cities

93UN03624 Chisinau NEZAVISIMAYA MOLDOVA  
in Russian 10 Nov 92 p 1

[Article by Vitaliy Pavlichenko: "President Snegur's Visit to China"]

[Text] On 5 November the president of the Republic of Moldova, Mircea Snegur, along with his entourage left Alma-Ata for the capital of the People's Republic of China.

Along the way to Beijing the presidential plane landed at the airport of the capital of the Xinjiang Autonomous Region on the Kazakh-Chinese border. Here the deputy director of the regional department of international ties, Son Xuan Lin, met Mircea Snegur. A talk was held between them on the region's particular economic features and the possibilities for cooperation with the administrative units of Moldova. During the talk it was noted, among other things, that this region, the farthest north from Beijing and with a population of more than 15 million people, maintains direct ties with 20 foreign states.

During the meeting they spoke of the possibility of concluding, in addition to the treaties which are to be signed in Beijing, an agreement on direct ties between the producers of Moldova and Xinjiang, and it was said that accessible and efficient transport lines must be ensured for future cooperation. In this regard flights through Alma-Ata could be used or direct barter flights between Moldova and Xinjiang could be established.

The Moldova delegation arrived in Beijing on the same day.

The program of the official visit of the Moldova delegation headed by President Mircea Snegur to China began with negotiations held between Mircea Snegur and the chairman of the People's Republic of China, Yang Shang Kun, with the participation of Moldovan and Chinese officials. Possibilities for cooperation in areas which are of mutual interest were discussed during the negotiations.

China believes that Moldova, which is located at a strategic geographic point at the western gates of the former Soviet territory, has great potential on the level of mediation in establishing relations among states. Noting China's stabilizing role on the Asian continent, Mircea Snegur stressed the importance of this aspect for conducting reforms in the country and stressed that Moldova can make use of this experience.

Then a meeting was held between the president of Moldova and the premier of China, Li Peng. During the talk they discussed the principles of interstate cooperation, which, as was noted, must and will be mutually observed. Li Peng told the envoys of Moldova about the economic situation in China, emphasizing that despite great difficulties, as a sign of friendship with Moldova and respect for its president, China was all the same prepared to offer 30 million yuan in credit which Moldova could use to buy food.

The same day meetings were held between the ministers of foreign affairs of the two states and the ministers of foreign economic ties.

On 6 November the first six agreements on the governmental level were signed; these included agreements on stimulation and mutual guarantees of investments, on cooperation in the field of sports and tourism, and on opening an air bridge between Chisinau and Beijing.

During the second half of the day the Moldovan delegation had a short meeting with the general secretary of the Chinese CP Central Committee, Jian Ze Min, at his invitation. During this meeting Jian Ze Min presented a number of ideas regarding China's economic situation and the realization of decisions of the last party congress dealing with a socialist market economy; in the general secretary's opinion, it will help increase the standard of living of the country's population, which now numbers 1.16 billion people with a natural increase of 15-17 million people a year.

The ceremonial signing of the documents was held the same day. Among the seven documents signed by President Mircea Snegur as well as Nikolay Tsyu, the minister of foreign affairs, were a joint communique, a treaty on cooperation in the area of science and technology, a protocol on consultations between the ministries of foreign affairs of both countries, a consular convention, a treaty abolishing visas for official business trips, a treaty eliminating visas for tourist groups, and an intergovernmental treaty on offering state credit for supplying goods to the Republic of Moldova. The last is the result of negotiations conducted the day before during President Mircea Snegur's meeting with the prime minister of China, Li Peng. That evening a treaty on banking and currency transfers between the Republic of Moldova and the People's Republic of China was also signed. In this way, the total number of documents signed during the visit, counting the intergovernmental ones, reached 14.

On the evening of that same day the Moldovan delegation arrived in the city of Shanghai. An introduction to the various aspects of life of this extremely large city and of its administration was planned for 8 November, and on the morning of the following day Mircea Snegur and the members of the official delegation flew to Osmen, the capital of the special economic zone of China.

The visit of the delegation of the Republic of Moldova will end on 10 November.

#### **Christian-Democratic Front Holds Seminar**

93UN03654 Chisinau NEZAVISIMAYA MOLDOVA  
in Russian 10 Nov 92 p 1

[Unattributed item: "Christian-Democratic Front Seminar"]

[Text] A zonal seminar of the Christian-Democratic People's Front took place on 6 November in Chisinau in the Large Hall of the Union of Writers of Moldova.

Yuriy Roshka, chairman of the Executive Committee of the KhDNF [Christian-Democratic People's Front]

insisted on the need for each member of this movement to realize the fact that it is in opposition to the presently existing state power and that the organization, whose goal is national liberation, must not engage only in meetings, but carry out systematic, day-to-day work using all available and lawful methods.

#### **Forum of Democratic Movement Detailed**

93UN0365B Chisinau NEZAVISIMAYA MOLDOVA  
in Russian 10 Nov 92 p 1

[Unattributed article: "Forum of Democratic Movements of Moldova"]

[Text] A forum of democratic movements for integrity of the Republic of Moldova took place on 7 November in Chisinau as reported by Moldova-pres.

Participants of the forum studied questions concerning the strategy and tactics of the struggle for a unified and indivisible Moldova. According to them the actions of the government and the president of the republic in controlling the conflict in the east of the republic are unsystematic and the indigenous residents of that zone continue to be subjected to abuse and persecution with an even greater cynicism by the anticonstitutional authority which established itself in Tiraspol. Participants of the movements that participated in the forum signed a declaration addressed to the president of the republic and chairman of parliament. In part it contains the assertion that following the signing of the Moldovan-Russian agreement of 21 July of this year, when the armed conflict was stopped, the sociopolitical situation in the eastern regions of Moldova nevertheless became even more aggravated. Thousands of patriots turned into political refugees in several months, while people of good will, remaining in that zone, are being subjected to persecutions, intimidation, and even physical annihilation, similar to what was done in the sadly remembered years of NKVD agents. The tumultuous activity of individuals from Tiraspol adequately illustrates that imperial and neocommunist forces in Russia continue the experiment using genocide against the people of one of the former Soviet republics, while the Smirnov forces are nothing more than pathetic puppets controlled from Moscow.

Those signing the declaration express themselves as opposed to the granting of political status to the Dniester region and demand that the problem be resolved in accordance with the precepts of law on local self-rule on the basis of respect for rights of national minorities.

The declaration was signed by representatives of the "Transnistriya" cultural society, the "Demnitatya" democratic movement from Slobozia and Tiraspol, the Committee for Defense of Victims of Separatism, and the League of Students from the Dniester region.

### **Implications of Ukraine's Leaving Rubles Zone**

93UN0363A Moscow NEZAVISIMAYA GAZETA  
in Russian 18 Nov 92 p 3

[Article by A. Khantsevich, NEZAVISIMAYA GAZETA correspondent: "The Funeral of the Ruble Will Not Take Long"]

[Text] Moldova

The calamitous state of the economy in the republic is becoming a constant headache not only for members of the government but for Moldovan legislators as well.

The situation is really catastrophic. The wave of strikes is not subsiding—representatives of ever new occupations come out to the square demanding higher wages. At the same time the budget of this relatively small country has a deficit "hole" of some 26 billion rubles. It seems that the decision by Ukrainian neighbors on the introduction of a national currency was an unpleasant surprise for the Moldovan authorities. Ruble intervention from the north and east, which the specialists have warned about, became a reality.

The state draft, offered for adoption to the Parliament, first of all, envisaged urgent measures to protect the domestic market—sale of goods only to the citizens of Moldova upon presentation of passports, temporary subordination of the National Bank under the Cabinet of Ministers, a rigid energy resource conservation regime, and an acceleration in the process of replacement of the ruble with the national currency—the leu.

The deputies, by the way, did not find any legal substantiation for the establishment of a state of emergency, but still granted extraordinary powers to the government. Therefore, in essence, the new regime in the economy is being placed into operation. In practice, however, this primarily means maximum control over the export of goods out of the republic.

The package of measures aimed at forcing the ruble out of circulation and a subsequent transfer to a national currency is impressive. In addition to the coupons in denominations of 200 and 50 rubles, already in the hands of the citizens, smaller denominations of five and 10 rubles are being printed. Rubles will not be accepted at all in the food stores. In the opinion of D. Ursu, the first deputy president of the National Bank, the new currency—the leu, can be introduced in Moldova no earlier than in the first half of next year. The local press, however, is publishing other predictions. Many observers believe that inasmuch as the national currency has already been printed, the funeral of the ruble may take place earlier and that process itself should not take more than one week.

It is no secret, however, that the decisions that have been made may encounter some serious obstacles connected, first of all, with the unresolved political problem of the Dniester region. Local power structures were created in that region and an independent economic policy is being

carried out aimed mainly at the preservation and consolidation of economic ties with Russia. Just last week a delegation from Dniester region, led by Igor Smirnov, visited the Chelyabinsk oblast. Despite the official protest of Moldova with regard to that, political representatives from Tiraspol managed to conclude a series of major contracts in the Urals. At present such visits are being planned for other oblasts as well. While Moldovan legislators are sanctioning the imposition of a state of emergency Dniester region customs officials are already controlling roads into the unrecognized Dniester Moldovan Republic and it appears that they do not intend refusing the ruble there either.

### **Problems Resulting From Regional Currency Moves**

93UN0363B Moscow KOMSOMOLSKAYA PRAVDA  
in Russian 24 Nov 92 p 2

[NEGA item: "Moldova"]

[Text] The government of Moldova is preparing a package of extraordinary economic measures in connection with the withdrawal of Ukraine from the ruble zone.

Sources, close to the republic government, informed a NEGA correspondent that the proposed measures will involve strict control over import and export of agricultural and industrial goods in Moldova. The sale of goods to the population will be carried out only for Moldovan coupons, with the presentation of the passport.

### **Dniester Region Developing Ties With Russia**

93UN0337A Moscow SOVETSKAYA ROSSIYA  
in Russian 19 Nov 92 p 2

[Article by L. Leonov, SOVETSKAYA ROSSIYA correspondent: "Reviving Ties"]

[Text] Three-quarters of the production yielded by the Dniester region was earmarked for Russia. For 20 years motors from the Tiraspol "Elektromash" plant were delivered to Southern Urals for the mining equipment produced there. Washing machine production in the Dniester region is in need of deliveries, while the sewing factory is waiting for top-grade Moldovan fabrics. Chelyabinsk residents remember the attractive clothing and footwear from Tiraspol and Bendery, as well as the canned vegetables and wines from Sloboda and Rybnitsa.

The Dniester region residents, in turn, need pipes, metal, and the "Ural" automobile.

Recently the unrecognized Dniester Moldovan Republic has been attempting to re-establish former economic ties. Dniester region residents concluded a series of economic and cultural agreements with various oblasts in Russia. Providing these agreements with real content, a large delegation headed by I. Smirnov, president of the

Dniester Moldovan Republic, recently visited Chelyabinsk Oblast. Memorandums of understanding were signed in Magnitogorsk, Zlatoust, Kopeysk, Miass, and Chelyabinsk concerning the intentions of enterprises along with an interbank agreement to accelerate payments and agreements on commodity exchange. A trade representation of the Dniester Moldovan Republic will be opened in Chelyabinsk, Miass, and the Southern Ural city of motor vehicle builders, became a brother-city of the Dniester city of Dubossary.

Recently a session of the Chelyabinsk Oblast Soviet of People's Deputies of Russia adopted an appeal to the 7th Congress of People's Deputies of Russia to include the question concerning recognition of the Dniester Moldovan Republic in the agenda of the Congress.

From Chelyabinsk the Dniester region delegation travelled to Sakhalin.

#### **Bread Prices Rise to 50 Rubles**

93UN0337B Moscow NEZAVISIMAYA GAZETA  
in Russian 11 Nov 92 p 3

[NEGA report: Untitled]

[Text] As reported in the TFATUL TSERIY newspaper prices for bread in Moldova went up to 50 rubles.

Promises by the minister of agriculture remained unfulfilled. According to them 50 percent of the total number of bread received for sale was to have been sold for 11-15 rubles. At one of the recent session of the parliament of Moldova, however, it was reported that in northern rayons of the republic bread is being sold only at a price of 50 rubles.

Local political observers believe that disregard for the interests and the purchasing power of the population may lead to a wave of strikes and acts of protest.

#### **State Repository for Valuables Established**

93UN0337C Moscow NEZAVISIMAYA GAZETA  
in Russian 11 Nov 92 p 4

[Unattributed item: "Its Own Repository"]

[Text] The edict of the president of Moldova "On establishment of a repository for valuables" has been published. The plans are to establish the treasure-house under the Ministry of Finance. It is proposed that precious stones and items made out of them be stored there, forming the state fund of the republic.

Just which ones is not clear yet. Moldova has no valuable mineral deposits. While the realization of the idea of building a plant for the extraction of precious metals out of scrap consisting of radio parts is currently impossible due to the lack of money.



## KAZAKHSTAN

### Leading Officials, Nazarbayev Discuss State Language Law

93US0157B Moscow NEZAVISIMAYA GAZETA  
in Russian 13 Nov 92 p 1

[Article by Sergey Kozlov: "'You Are All My People': Nursultan Nazarbayev Speaks at a Conference of Administrative Chiefs and Soviet Representatives"]

[Text] The conference of administrative chiefs and representatives from the soviets of Kazakhstan's rayons, cities, and oblasts seemed to be a step toward compromise with regard to those issues over which heated polemics are anticipated at the session of parliament to begin in early December.

The status of languages remains the fundamental problem which is heating up the public atmosphere more and more in this republic. It is as if the matters of regulating local power and the numerous draft programs for extricating Kazakhstan from its crisis have now receded into the background.

The administrative chiefs and the Soviet representatives differed—to put it mildly—in determining and specifying the spheres of their own powers of office. President Nazarbayev, in summing up the results of the discussion on this matter, puzzled his audience with the following statement: "But why should the division of powers—such as we have at the highest, republic level—also be present and in effect at the level of local power?"

After pausing for a while, the president continued his thought as follows: "It is said that the administrative chiefs are Nazarbayev's people, whereas the deputies of the local soviets are not. I consider that this is not so. All of you in your places are my people."

It cannot be said that this assertion put a complete end to the discussion, but—in any case—nobody else at this conference ventured to divide powers of office. And the quarrels over this matter subsided into silence as if on their own.

People waited with the most interest, naturally, for the president to set forth his views on the "language issue."

In proceeding to his own present-day interpretation of this problem, Nursultan Abishevich gave a mild warning to the advocates of "bilingualism."

"Does anybody really think that, by revoking the already-adopted law, we would be able to count on peace and tranquility in Kazakhstan?"

"The fact of the matter is that the term 'language of international or interethnic communication,' in and by itself—as already noted on more than one occasion—has no specific, legal import."

"Kazakh is the state language in the Republic of Kazakhstan. The Republic of Kazakhstan guarantees the free functioning of the Russian language on an equal basis with the state language. Citizens are guaranteed the right to use their native languages. Restricting or limiting the rights and freedoms of citizens because of a lack of mastery of the state language is prohibited."

"I call upon you to support such an interpretation," Nazarbayev concluded.

In touching upon the causes of the economic crisis, the president—as he has done before—cited the following among the basic factors: disruption of ties and the non-fulfillment of their obligations by Kazakhstan's partners in the CIS. This pertains—first and foremost—to Russia, with its debt amounting to many billions of rubles.

"Inasmuch as attempts to integrate our economic interests have so far been unsuccessful, we are compelled to begin seeking out our own paths of development," the president concluded.

### Economic Situation, Reform Reviewed

93US0144A Moscow DELOVOY MIR in Russian  
16 Oct 92 p 2

[Article by Valentina Okhotnikova: "Reform: The Kazakhstan Variant"]

[Text] I was hopelessly late for a business meeting. Despite all efforts, my driver had a great deal of trouble finding a place to refuel, and our destination was quite a long way off. In the usual driving situation one could count on finding a "private type" of gas station, but we had no such luck. And this was in Kazakhstan, with its abundant oil fields and three major oil refineries. Moreover, the oil fields are coming to be owned more and more by concerns from the West inasmuch as this newly sovereign republic is short of money to be spent on up-to-date technologies.

Yet another surprise from this same "series" was the following: Precisely on the day my flight arrived in Alma-Ata the price of bread increased five-fold. But, after all, this sovereign republic had an unprecedentedly good grain harvest this year. Ten million tonnes of it were sold to the state, and an equal amount remained in the hands of the rural people themselves. An Extraordinary Commission was set up by an Edict of the president of Kazakhstan back at the beginning of this hectic harvest season. Due to some extraordinary measures, grain was not permitted to be wasted or to "disappear." Nevertheless, according to preliminary forecasts, the price of bread—albeit plentiful—will increase again several times over by wintertime.

As is also the case throughout the entire CIS, inflation is continuing to grow in Kazakhstan. And how could it be otherwise when—by a single stroke of the pen—Kazakhstan's President Nazarbayev put 200 billion

rubles into circulation, President Yeltsin—500 billion, and President Kravchuk—300 billion, all in noncash money which could easily be converted into cash?

The decline in industrial production has become more and more precipitous. The payments crisis, which has engulfed the country since mid-August, continues to grow worse. It is being aggravated by the holding back on accounts being processed through the TsRB [Central Bank of Russia]. A solution is to be seen in opening a branch of the Kazakhstan Bank in Moscow and—conversely—a branch of the Russian Bank in Kazakhstan. There are still no vouchers in Kazakhstan, but the coupon-type privatization of housing has been proclaimed. Interest in this has been shown more by the nonindigenous population, while the native inhabitants are still cautious.

"Municipal services have become so expensive for private persons that they are afraid to take an apartment even as a gift," the Kazakhs explain. They are completely satisfied with government-type housing with state-run services.

So far there is no stock exchange, and most commodities are evaluated according to their residual cost. The quiet privatization of industry is proceeding everywhere. Most major enterprises have long since been converted to joint-stock companies.

"The capitalization of Kazakhstan is an iceberg: The top part is all shiny, while the lower part is not visible." So I was told laughingly by a sociologist I know, when the conversation got around to economic reforms.

The principal problem in this republic is land—even though there is two hectares of land suitable for agriculture for each inhabitant. How should the pasture areas suitable for the traditional, nomadic type of livestock raising be divided among private persons? The basic mass of vegetables in the South are raised by the Uighurs. And most of the Russian population works in the plants and factories. By pure arithmetic one arrives at the conclusion that—in distributing state property—not too much would fall to the lot of the indigenous population. That is why state capitalism is viewed as the most realistic path here. Far-sighted Kazakh politicians prefer to redistribute first, and only then to begin privatization.

Unfortunately, in Kazakhstan, as is also the case in Russia, the raw-material tendency of the economy has not yet been overcome. If you look at a map, you can single out the following three major industrial zones: in the western, eastern, and southern parts of the republic. The region with the best prospects for petroleum is in the area around the Caspian Sea, but the people there live under extremely difficult conditions—actually in slums. Even if they were to develop and "master" their oil on their own, they would not extricate themselves from poverty soon, because the oil there is heavy, paraffin-laden, and difficult to refine. That is why one hears

foreign languages being spoken more and more frequently in these major oil fields.

In mid-June an agency for foreign investments was opened in Alma-Ata, but serious investors do not want to pour funds into a devastated economy without some serious guarantees.

"The most acceptable policy in this situation would be one of free economic zones." That was the opinion expressed to me by Rustem Zhulamanov, an economist and a candidate of sciences. "In this instance, land with specific future technologies could be sold to Western investors. But I would regard this skeptically inasmuch as the status of a zone within an oblast would be another case of a state within a state. Economic reforms conducted locally within oblasts would lead to an unraveling type of situation and to a lack of controllability. Furthermore, Kazakhstan has no egress to the sea; there are no acceptable transport main lines. A window to the world could be provided by constructing an international Alma-Ata-Aktau airport, linking the capital with the port cities on the Caspian. Taldy Kurgan, located on the border with China, does have egress to the Trans-Siberian Main Line. Matters are worse in the Karaganda Coal Basin; it is more remote from the transportation hubs. I doubt that a market-type economy could be introduced all at one time in such a vast territory as Kazakhstan, especially if we take into consideration our Soviet-type mentality and the aggressiveness of the non-market structures. Within the continuing syndrome of semi-collapse, the organism must operate on the basis of differentiating its potentials. All we have to do is take into account all the positive factors and gradually neutralize the negative ones. And the base is splendid—VPK [military industrial complex] enterprises with high technologies and know-how of a non-military type. With the aid of state regulation, we must create a starting "niche," a "sail" for growth and development. The biggest entrepreneur must be the state in the "person" of the government, in whose hands will be taxation, credits, most of the fixed capital assets, and material resources. Within the raw-material trend of the economy the majority have turned out not to be the technologists, bankers, and entrepreneurs, but rather specialists with middle and lower-level skills. Numerous business schools—both here and abroad—provide too little by way of training genuine market specialists. I would favor using this money to send a good metallurgist to the London Metals Exchange so that he could open up his own broker's office there and sell our nonferrous metals at prices which would be realistic for the present day.

While the economists have been proposing their own variants for extricating us from this crisis, practical life has been continuing. Even from a cursory poll it is clear that there are not very many real hopes among the average inhabitants of Kazakhstan. Disrupted ties and political instability have engendered a psychological discomfort. Kazakhstan's most reliable, "rear-line" reserves are its grain resources. Here everyone knows that this republic can and does feed itself. National and

ethnic problems are also resolved more calmly here than in other regions. Politicians, as well as the intelligentsia and the entire population understand that it is easier to overcome difficulties by working together.

Eastern neighbors—Japan, China, South Korea—are operating more and more actively in Kazakhstan. Whereas Russia expels Kazakh students who are not able to pay for their education, Turkey allocates funds and selects candidates for education free-of-charge at Istanbul University. Alternative education is the "first swallow in the market spring." And Kazakhstan's greatest hopes are being placed on the new generation—literate, educated, and intelligent.

#### **Intention of Mongolian Kazakhs To Migrate to Kazakhstan Reported**

93US0127A Moscow IZVESTIYA in Russian 12 Nov 92 Morning Edition p 4

[Article by Vladimir Skosyrev: "Kazakhs Returning to Their Historical Homeland"]

[Text] In the Altay Mountains, on the Mongolian side of the border with Russia, thousands of Kazakh families are folding up their yurts, disposing of their sheep and goats, and getting ready for the long road "home."

"Home" means Kazakhstan, although this word is not very suitable here. That is because the overwhelming majority of Mongolian Kazakhs have never been there.

The Kazakh settlements are scattered over many Asian countries—from Turkey to China, but it was specifically Mongolia's Kazakhs who reacted faster than all the others to the birth of the new, sovereign republic on the ruins of the former Soviet Union. The Kazakhs comprise the largest national minority in Mongolia (constituting approximately 6 percent of the total population). They lived primarily in China on the territory of the present-day Sinciang-Uyghur Autonomous Region, and then wandered nomadically to the north. The center of this migration became Uleey—capital of Bayan-Uleey Province in the western part of Mongolia. Formerly, the local airport had only a few departing flights per week. Now it is the most lively center of international hauls in the country. Every day a dozen airplanes from Kazakhstan land there.

The pace of resettlement has slowed down with the approach of winter. But last year more than 30,000 persons departed. Emigration from the neighboring province of Kobdo is proceeding even more intensively.

Just what is impelling people to leave places where they have lived for such a long time? It is certainly not because of discrimination on the part of the "sons of the earth"—the Mongols. In Bayan-Uleey Province, where 90 percent of the population are Kazakhs, the schools and courts use the Kazakh language. The Stalinist variant of a communist regime, which Moscow imposed on Ulan-Bator more than 60 years ago, brought tragedy

to the Kazakhs, who profess Islam, as well as to the Mongolians, who are followers of Buddhism. During the 1930's, at the time of the cruel purge of clergymen, almost all the Buddhist monasteries and Islamic mosques were destroyed.

Nowadays Islam and Buddhism are experiencing a unique kind of renaissance. In Uleey alone five or six mosques are either under construction or are planned to be built. Approximately 100 Kazakhs have set out to study in Turkey; the first group of elders has completed a pilgrimage to Mecca.

In short, it is not interethnic strife or dissension which is impelling people to emigrate. It is more a matter of the economic difficulties which Mongolia is experiencing. After Moscow ceased rendering aid in 1991, and the authorities attempted to carry out market-type reforms, the volume of production declined by approximately 20 percent.

Hopes for a better life in the "historical homeland" alternate with worry and even alarm. It will not be easy to adapt, if only because few of these people speak Russian well. That is the supposition of K. Maeyram. Moreover, the city's mayor is also disturbed. Because it is not only the nomads who are leaving, but also engineers, physicians, and actors. The local theater has been unable to stage a show for an entire season now, as it usually does. Many of its stars have left for Kazakhstan.

#### **Movement Toward Sociopolitical Stability Examined**

93US0144B Moscow TRUD in Russian 13 Nov 92 p 1

[Article by Oleg Kviatkovskiy, correspondent: "It's Time for Intelligent People, Not Shouters: A Look at the Situation"]

[Text] More and more visible in the political life of the Republic of Kazakhstan are signs not only of economic pragmatism, but also a revival of international and religious ethics, as well as mutual tolerance. The more fragile and thin calm and tranquility became in recent times over the expanses of Kazakhstan, and the closer that trouble and misfortune approached the borders of this republic from various directions, the dearer seemed concord and peace to the inhabitants of Kazakhstan. This was felt likewise in people's common concerns, with regard to those everyday "trifles" of reciprocal goodwill—in stores, on the streets, and in public transport—things from which they had seemed to have already fallen out of the habit.

This was almost at the same time that a desperate discussion was coming to a conclusion with regard to the draft of the new Constitution (properly speaking, what was discussed was only one question—the one relating to the state language); events were thundering in Ust-Kamenogorsk with the unprecedented decision of the

customs session concerning the expulsion of all Chechens—a decision which was revoked within 24 hours—and the appearance of the first refugees from hapless Tajikistan.

And it seemed that my countrymen had also recovered their sight and were beginning to see things clearly. People began to understand the following points: Sparks were right at their own doorsteps. Well then, there was also the fact that our native Kazakhstan, where two major ethnic groups were intermingled and were represented on virtually an equal scale—if that was not a powder-keg, then it was, at the very least, a stack of dry hay.

But suddenly the political passions died down. And these very same "dangerously explosive" Alma-Atans—young unemployed Kazakhs—no longer gathered on the square around the Chokan Monument, but assembled instead at the labor exchange in the morning. And the striving to survive—to stand on one's own two feet—became a mass striving, and not "instead of" someone, but just together....

It was specifically about this—about the path to survival, stabilization, and prosperity, only together, only in unity that President Nazarbayev spoke for three years in a row, without tiring, day after day. I do not want to insult anybody, but this fact did not get through to everybody. Not everybody understood it even yesterday or the day before yesterday: One cannot set bon-fires in powder-magazines; and only reason rather than emotions should govern society.

The bitter experience of the republic, where national reforms outpaced economic and legal reforms, where the state sovereignty which the people of Kazakhstan had discovered seemed to be virtually a punishment for them—may God grant that we make no mistakes on the very brink of disaster. We did come to our senses in time. And it seemed as though the local national-radicals finally became confused and started quarreling in their own "political kitchen." And the forces of common sense—those who had always advocated consolidating society—were encouraged and emboldened.

**We must gain time for carrying out a complete economic reform. To make it possible for the people to feed themselves, to have enough clothing and shoes. And then—under calmer, more benevolent circumstances—the state and all the people will solve the issues of language, culture, education, and health care. Isolation, separatism, inflating the nationality question all tend to provoke a split in society, create impassable obstacles on the path of economic and state development.**

Thus spoke Olzhas Suleymenov, chairman of the party entitled the National Congress of Kazakhstan, a well-known poet and public figure. Of course, he is merely repeating nowadays what he has always stood for. But people were not listening before, and now other times have ensued. Now they are listening and thinking. Now it's time for intelligent people, not shouters.

Those who talked about the "political vacuum" in Kazakhstan did not know what the chief trouble was: All the parties and public movements here for three years in a row have been formed in accordance with the nationalist criterion. That is why it is so important that the party of the National Congress of Kazakhstan (NKK)—the "party of Suleymenov," which is gathering its forces and hundreds of followers—is an international structure, perhaps, the first one of this type, on this republic's political horizon.

Will there be others? Yes, obviously so. An appeal was very recently made to the citizens of Kazakhstan by a group of prominent representatives of various nationalities—people's deputies, scientists, leading officials of state and entrepreneurial structures, mass media, public associations, writers, figures in the arts, workers, and well-known sports figures. Today, when the economic situation in the republic is extremely acute, the authors of the document in question declare that empty verbalizing and blabbering is more intolerable than ever. What is needed is to carry out specific, attainable reforms. In order to preserve sociopolitical stability, we need a strong democratic center—one which would be capable of playing the role of a buffer between the national-patriotic forces opposing each other and of stimulating a unifying tendency. Not a single one of the presently existing political formations—created basically in accordance with the mononational principle—is capable of playing this important role today. That explains the creation of the organizing committee of the union entitled the "National Unity of Kazakhstan"—a fact which is being widely discussed in Kazakhstan.

**It's time for intelligent people.... It allows us to acknowledge our errors and mistakes with dignity. The brief visit to Alma-Ata by Almaz Yestekov, now already an American businessman and president of the company entitled "Silk Road Incorporated," passed unnoticed by most persons in this city. What a pity! How could they not recall that only three years ago Almaz Yestekov was arrested—under the clouds—right on board a flight from Leningrad to Alma-Ata. At that time continuous political meetings were taking place in the Kazakh capital with the most "extreme" slogans. The square echoed with shouts of "Almaz!" And the KGB retreated.**

The lot of this first leader of the radical right-wing party entitled "Alash"—from which he has now broken off—is instructive.

"I wanted justice, and I became a dissident. I wanted to help my people, and I became a businessman," said Almaz Yestekov, and then repeated: "Blatant chauvinism and extremism only disgraces us; no one would want to have anything to do with us."

It must be borne in mind that this is not the confession of a man who has been broken by the camps or by "psychiatric treatments," but rather a true son of the Kazakh land, a talented man, made wise by practical life. Such wisdom and insight cost dearly. And since he has



been "on both sides," he need not explain all problems in terms of blood or barricades.

Today—on behalf of his own firm—Almaz Yestekov has signed a broad-based, long-term agreement on cooperation. This signing took place in Kazakhstan at the government level. According to the terms of this agreement, enterprises will be built, and that up-to-date infrastructure will be created without which Kazakhstan's economy is now suffocating. And Yestekov also dreams of building a mosque, a church, and a synagogue in Alma-Ata. Moreover, they will be built in such a way that a single road will lead up to them, branching out only at the very end.

Those whom the gods would punish, they first drive mad. At present in Kazakhstan it's the time for intelligent and calm people.

## KYRGYZSTAN

### Attempt To Erode Akayev's Power Examined

93US0128A Moscow KOMSOMOLSKAYA PRAVDA  
in Russian 11 Nov 92 p 2

[Article by K. Bayalinov, correspondent: "Tell Me Who Your Friend Is, And I'll Tell You Who Will Remove You: Step by Step, the Opposition Is Attempting To Deprive Akayev of His Power"]

[Text] All they permitted me to do was to look through the peephole. Half-reclining there on an ottoman in a three-man cell was Omurbek Suvanaliyev, the former threat to the Issyk-Kul mafia.

"Unfortunately, we will not be able to let you enter the cell; for that we would need permission from the investigator. But he is with the procuracy, and that's a different department," the SIZO [Investigative Detention Center] security chief told me with a shrug. That was the "openness" with which the Chekists responded to a note in KOMSOMOLSKAYA PRAVDA stating that "the chief of the Issyk-Kul Police is being held in a KGB cellar."

"Where do you see a cellar? This is the very best jail in the whole republic!"

Eight months have elapsed since that time—eight months during which what is, perhaps, the very best Kirghiz jail has been the "residence" of, perhaps, the very best policeman in what is, perhaps, the most democratic republic in the eastern portion of Eurasia.

The unpleasantness began for Omurbek Suvanaliyev as soon as he arrived to take up his duties as chief of police in the health-resort zone of Issyk-Kul. First of all, it was necessary to break up the old "order of things," whereby the former police chief was a dedicated drunkard, and the chief of the BKhSS [Department for the Struggle Against the Theft of Socialist Property and Speculation] was generally renowned as being the richest man in

Issyk-Kul, motor-vehicle inspectors with oily, shiny faces managed to stop and "fleece" only those cars and trucks with Kazakh or Uzbek license-plates, and the operational staff members used to stroll about the asphalt-paved alleys of the innumerable boardinghouses in the company of the "hetaerae" who used to congregate there. It was utterly idyllic at that time. Everybody put down "their own" firm roots, built some houses, remodeled others, and even had children. And the police, the procuracy, as well as the authorities in general, lived in a relationship which might be called "soul to soul."

Suvalaliyev recruited and assembled a new team, and he introduced very strict discipline into the GROVD [City Rayon-Level Internal-Affairs Department], a regime which prohibited smoking and drinking in the offices. . .

Soon his staff members began to work on the Cholpoi-atinskiy petty-trading case. A deputy head of the rayon-level procurement center was caught red-handed. But the chain led into all the structures of the rayon-level authorities—from the big bosses to the supervisors of ordinary offices.

Thus, the first challenge was issued to this rayon's "public opinion." The reaction turned out to be not long in coming. Within two weeks the rayon-level procuracy issued a criminal indictment against T. Aldzhanov, the BKhSS chief, for...divulging the data of a preliminary investigation. Serving as a pretext for this was an interview that T. Aldzhanov had granted to a local newspaper. At the same time, the rayon-level authorities imposed a veto on financing the operation of the newspaper in question.

In time this "case" was discontinued. However, compromising documents from a year and a half previously were again brought to bear against the BKhSS chief. The local court quickly reached a decision and delivered a verdict of "Guilty." And it sentenced T. Aldzhanov to a fixed term.

The chief of police had been "issued" his first warning. It said in effect: Don't disrupt the order of things—an order which existed long before you came here. But he "went for broke."

On 25 June 1991 the police arrested a son of the chairman of the Issyk-Kul Oblast Soviet for theft of personal property belonging to citizens. The procuracy immediately intervened in the investigation which had already begun, and it freed this offspring with a renowned family name from being under guard. Within less than a month the procuracy arrested G. Dyuenenbayev, the GROVD deputy chief, and instigated criminal proceedings against him for a beating of the oblast soviet's son—which allegedly took place during the latter's interrogation. After a certain length of time the criminal case against the GROVD deputy chief was discontinued for the lack of a formal element in the definition of the crime.

From this day on, plots were being hatched in the higher echelons against the chief of the Issyk-Kul GROVD. Without knowing it, Omurbek—figuratively speaking—had barged into “big-league” politics. The fact of the matter is that protection was being rendered to the oblast soviet chairman by the president of Kyrgyzstan himself, who just happened to be an old friend of his. Subsequently, due to the ruckus which had been raised around this good-for-nothing son, the president was compelled to sacrifice this figure and appoint another person to the post of akim (deputy).

Neither then nor later did Akayev play any part in determining the fate of this recalcitrant police chief. Instead he swallowed the bitter pill with the dignity worthy of a big-league politician. But—as always—there were persons who resolved to make use of Omurbek as a bait or lure in the big game against their rivals. A new stage then began in the Cholpoiadin drama.

During the period of August-October 1991 the procuracy organs instigated a number of criminal actions against the GROVD staff associates. To be sure, these “cases” were subsequently dropped for lack of formal elements in the definition of a crime. But this rayon and the resort city were already in a hectic fever of activity. Two departments were utterly engaged in nothing but gathering compromising information about each other. And the nature of the game did not depend upon the will of the Issyk-Kul “players.” The teams were directed from Bishkek.

During the winter of 1991 the procuracy of Issyk-Kul Oblast instigated criminal proceedings against the GROVD chief, whom it charged with striking a former staff member of the BKhSS.

On 23 March 1992 Omurbek was summoned to the rayon-level procuracy in order to testify. He never returned from the procuracy. The operation of abducting him was carried out quietly, professionally, and without an excessive noise by special-force personnel from the republic-level KGB. By the end of the day the chief of the Issyk-Kul GROVD had been confined in the committee’s isolation cell used for investigations.

In response to this kidnaping most of the GROVD staffers signed letters of resignation and set out for Bishkek in order to seek the truth. The capital’s policemen and the followers of the Democratic “Kyrgyzstan” Movement were prepared to support the Issyk-Kul people.

All of them—friends and foes alike—were waiting for the reaction from just one person. They were anticipating the intervention in the story of the arrest by Vice-President Feliks Kulov, the teacher and adviser of Omurbek Suvanaliyev. Some were prepared—at the very first sign—to storm the procuracy and the KGB, whose “rating” after the GKChP [State Committee for the State of Emergency] had fallen to the minus point. Others, in contrast, while sitting in their offices, were prepared to

catch Kulov himself red-handed and charge him with undermining peace and tranquility in the city and in the republic.

Feliks Kulov is a renowned individual in Kyrgyzstan. His aid to Askar Akayev during the latter’s accession to power was invaluable. Those same democrats would not have been able to gather on the square in support of Akayev at all if Kulov, the capital’s military commander, had not closed his eyes to the law, which proclaims that—during the period of the curfew—political meetings and demonstrations are banned. In those days (to a large extent, due to Kulov’s authority), the KGB and the Ministry of Internal Affairs, which had isolated their former communist masters, came out on the side of the democrats.

And to this very day F. Kulov is one of the brightest figures around Akayev—a fact which cannot please all the politicians.

Who would be pleased, for example, when the vice-president openly declares that the mafia exists and then insists on the creation of a republic-level bureau of investigation which would absorb the best operational structures of the Ministry of Internal Affairs, the procuracy, and the KGB? By the way, the leading officials of the procuracy and the KGB immediately came out against the idea of an RBR [Republic-Level Bureau of Investigation]. No matter how they explain their own objections, it is patently clear to anyone concerned that no one wants to share power....

For some time now a ferment has been brewing among the president’s comrades-in-arms. The first one to lose his post was the chairman of Gostelradio [State Television and Radio]—a person who was Akayev’s “mouth-piece” everywhere and always. And he departed because he had entered into conflict with the collective and with...the vice-president. Under pressure from members of the parliament, Akayev was compelled to sacrifice his own adviser—L. Lavitin—the author of Akayev’s progressive draft laws. The clouds also thickened over E. Karabayev, the director of the president’s apparatus—a man who has worked with Akayev from the very first days, serving him and the fatherland with faith, truth, and justice.

The “sniping” at the comrades-in-arms has continued.... Gradually, step by step, the opposition and the rivalry among the president’s friends have isolated Akayev from solving the vital problems of the republic. That is the only way that Akayev himself could be removed; his “ratings” are just as high as they were before.

And so, if Kulov had intervened in Suvanaliyev’s trial at that time, his political opponents might well have “finished off” his political career also.

Kulov preferred to hold back and let his disciple confront the country’s laws on a “one-on-one” basis; these laws have proclaimed the primacy of general or common human values over state values.

Suvalaliyev's first trial is already finished. During its course facts were adduced concerning pressure which the procuracy exerted on the witnesses. In open court most of them denied or abjured their preliminary statements and accused the procuracy of exerting "psychological" influence on them in the form of monetary bribes.

The court could not prove the guilt of the GROVD chief, and it returned this "case" to the procuracy for further investigation. The procuracy has engaged in collecting more "compromising documents," and has renewed its former charges against the 30-year-old Omurbek Suvalaliyev. And so he is still behind bars in the state security jail, together with major state criminals.

#### **By Way of an Epilogue**

After lengthy debates the Constitutional Commission has approved the structure of a new Law. The draft Constitution provides for the post of a vice-president of the Republic of Kyrgyzstan. And scarcely too soon because—in accordance with the old Constitution—Vice-President F. Kulov would have exceeded his powers as a deputy....

The games continue....

#### **Russia Provides Housing, Promises Interest-Free Credit**

93US0158A Moscow SELSKAYA ZHIZN in Russian  
17 Nov 92 p 2

[Interview with Yan Yefimovich Fisher, chairman, Republic of Kyrgyzstan's State Commission on Extraordinary Situations, by L. Kalashnikov, correspondent; place and date not given: "A Russian House in a Kyrgyz Village: A Timely Interview"]

[Text] People remain people. No matter how they fall to quarreling over politics, their souls corrode, or their hearts grow calloused. And, therefore, the following thought occurs: In the end, passions will be thrown onto the trash heap, and peace will reign triumphant. There are as many examples of good mutual relations as one would want. As soon as disaster struck the Kyrgyz villages of Toluk, Sovet, Suusamy, and others, Russians were among the first to come to their aid. Our correspondent interviewed Yan Yefimovich Fisher, chairman of the Republic of Kyrgyzstan's State Commission on Extraordinary Situations.

[Kalashnikov] Yan Yefimovich, did the aid arrive in time?

[Fisher] Of course it did. Hundreds of families were without roofs over their heads. By a directive of the Russian government, 88,000 square meters of housing—wooden houses premanufactured at plants—were allocated to render humanitarian assistance. Some 500 hundred large army tents also arrived here. A total of 413 million rubles worth of non-reimbursable aid was obtained from the Russian Federation's government reserve fund. Russian has also provided for transporting

the prefabricated houses mentioned above to the stricken and suffering regions

Moreover, a contractual agreement has been concluded between Russia and Kyrgyzstan providing for interest-free credits amounting to 1.5 billion rubles. That's quite a lot when one takes into consideration the fact that these days the Russian Federation grants credits to foreign states at interest rates of 80-90 percent per annum. And Russia was the first to send its own rescue workers to Kyrgyzstan. They flew in to free the sufferers from under the ruins and debris on the very day of the earthquake.

[Kalashnikov] How will Kyrgyzstan spend these welcome credits from Russia?

[Fisher] It has been decided to use this money to purchase another 1500 houses in Russia, as well as tents, and the transport necessary in the disaster zones

[Kalashnikov] Will the houses which have already been delivered or are about to arrive be capable of providing shelter for all those persons who were stricken by this disaster?

[Fisher] I think so. After all, these houses have an area of 80-90 square meters each and have four rooms each. It has now been decided that—in order to provide housing for as many sufferers as possible—each house should have two owners. That means that more than 15,000 persons will obtain good-quality housing, manufactured by Russians in Kostroma, Kirov, Leningrad, Novgorod, and Orel oblasts, and sent as gifts to the suffering people of Kyrgyzstan.

And despite all the difficulties which Russia itself is now experiencing, we have again become convinced that the pain suffered by Kyrgyzstan's people has touched everyone. And this manifested itself in the effective actions taken by Russia's President Boris Yeltsin and by the government. Within just two hours after Yeltsin received our president, Askar Akayev, in the Kremlin, the Russian government assembled in a special session with only one item on the agenda—aid for the Republic of Kyrgyzstan. The necessary decisions were taken unanimously. I myself attended this session, and I can testify to that.

[Kalashnikov] In addition to Russia, what other states among the republics of the former Soviet Union have helped you in this disaster?

[Fisher] Our close neighbor—fraternal Kazakhstan. It sent 3,000 cubic meters of lumber and 40 tonnes of groats to the disaster regions on a non-reimbursable basis. These items were paid for from funds of the Kazakh Committee on Extraordinary Situations. Considerable quantities of gasoline and heating oil were also sent to our country, but this was to be paid for. Kazakhstan's builders will construct earthquake-resistant housing in the rayons of Talas Oblast.

Issues involving the granting of aid are now being worked out with other states of the former Soviet Union. Of course, if this Union had remained unbroken, it would have been much easier for all of us to overcome the effects of this disaster by working together. I know this from other such cases. Nevertheless, even today Kyrgyzstan has not remained all alone in its struggle against disaster.

## TURKMENISTAN

### Republic Regards Tajik Conflicts as Internal Matter

93US0132B Moscow NEZAVISIMAYA GAZETA  
in Russian 6 Nov 92 p 3

[NEGA Report: "Turkmenia"]

[Text] "Turkmenia considers the conflict-type situation in Tajikistan to be an internal affair of that state." So declared Khalykberdy Atayev, Turkmenia's minister of foreign affairs, on the eve of the visit by Andrey Kozyrev, Russia's minister of foreign affairs, to the Central Asian region.

According to Kh. Atayev, a discussion of the Tajik problem with the Russian minister of foreign affairs will become the principal topic of A. Kozyrev's talks with Saparmurad Niyazov. The Turkmen side intends to affirm its own stance of non-intervention and positive neutrality, as well as not aspiring to play the role of intermediary or "middlemen" in the process of settling this conflict.

"We are inclined to see a violation of regional stabilization only if there are factors of an external threat to a state. In other circumstances, each state should solve its own problems by itself," Kh. Atayev emphasized.

In his opinion, a positive result of the talks with A. Kozyrev could be joint efforts by Russia and Turkmenia to examine and review the situation in Tajikistan within the framework of the UN and other influential international organizations.

### Decree on Creation of Military Faculty in Makhtumkuli University

93US0132A Ashgabat TURKMENSKAYA ISKRA  
in Russian 5 Oct 92 p 1

[Decree issued by the president of Turkmenistan: "On Creating a Military Faculty in the Turkmen State University imeni Makhtumkuli"]

[Text] In order to provide for and ensure the training of highly skilled officers for Turkmenistan's Armed Forces, I hereby decree the following:

1. A military faculty shall be created in the Turkmen State University imeni Makhtumkuli.

2. During the academic year 1992/93 the number of students shall be established at 90, whereas the number of professors and instructors, as well as the auxiliary staff personnel of the military faculty of the Turkmen State University imeni Makhtumkuli shall be established at 58.

3. Turkmenistan's Ministry of Defense and Gosstab shall specify within a two-week period the procedure for providing material and technical support for the activity of the military faculty of the Turkmen State University imeni Makhtumkuli, and shall submit the appropriate proposals to Turkmenistan's Cabinet of Ministers.

4. Comrade M.B. Orazov, the rector of the Turkmen State University imeni Makhtumkuli, shall adopt the necessary measures to create the proper conditions for the military faculty to function and to fully provide for the educational process.

5. Financing the military faculty of the Turkmen State University imeni Makhtumkuli in 1992 shall be carried out within the parameters of the funds provided for in Turkmenistan's Centralized Budget for maintaining higher educational institutions.

[Signed] S. NIYAZOV, president of Turkmenistan

## UZBEKISTAN

### Railcar Construction Collaboration Viewed

934A0285A Tashkent PRAVDA VOSTOKA in Russian  
17 Oct 92 p 2

[Article by Ye. Yefimov and V. Chernyshev: "From Spare Parts to Railcar Construction: Lessons of Entrepreneurship"]

[Text] Two businessmen were having a meeting. One proposed something, but the other one hesitated. It might be profitable, but it would be a great deal of trouble. And then an argument was brought up—one which is quite unusual in the business world: "But these are your babies!"

And the deal was concluded. The representative of the Central Asian Main Line had hit the bullseye: He had played upon the "fatherly feelings" of his fellow-conversationalist, because the "babies" referred to were railroad passenger cars manufactured some time ago by the firm Deutsche Wagonbau [German Railcar Construction] from the GDR.

They used to run along our railroads quite well, and in the course of time they would wear out. And so, just as a father feels sorry for his "children," so too he needs to give some thought to the honor of the family name. Because, of course, even after the GDR was "dissolved" in the United Germany, the railroad cars continue to bear the trademark Deutsche Wagonbau ad.



"The three agreements concluded by us entail both a continuation and a development of cooperation with our German partners." That's the way Viktor Zheltoukhov, chief of the Central Asian Railroad summed it up.

The significance of this cooperation is likewise attested to by the following figures: Every other passenger train being dispatched from our railroad is made up of German cars. At one time their appearance meant a new level of development for our passenger service. But time passed; these cars grew old; and to maintain them and—even more so—to modernize the fleet became extremely difficult.

**But fundamentally new forms of partnership have emerged here—a kind of cooperation whereby, having overcome our difficulties, we could rely on our own forces with more confidence. That is to say, we would continue to acquire cars and spare parts—in sensible quantities. But the principal goal is to create a reliable technical foundation for railroad transport in Uzbekistan.**

And here now in accordance with the first contract Deutsche Wagonbau will deliver the most necessary items for its "children" within a month or two. And, in tandem fashion, Uzbekistan, together with Russia, Germany, and other countries—with the assistance of the European Economic Community—will proceed to develop a center for a railroad-car fleet.

Consultations are still being held and projects are being worked out. But provisions are already being made for a new organization of this business—in accordance with the second contract. A unique and original conversion will take place: Considerable capacities of the machine shops and depots will be keyed on maintaining passenger cars. Enterprises in Tashkent, Andizhan, and Pakhtaabad will develop and master the production of 80 percent of the spare parts required.

**Railroad cars will be earmarked for major repairs more frequently than before. And this will mean a high level of preparedness, additional guarantees of safety, and necessary comfort for passengers. Furthermore, as we assimilate a greater assortment of assembly-units and parts, we can also give some thought to our own production of railroad passenger cars—in cooperation with partners from foreign countries near and far.**

There are analogous problems in the freight-car fleet too. They will be the concern of our own machine shops and nine repair depots. A careful and precise division of labor has been provided for. The Khavast Depot will specialize in dump cars and gondola cars, Kokand—in tank cars, Samarkand and Karshi—in box cars, Termez—in container cars, and all depots will engage in repairing flatcars.

All these enterprises will be expanded and will add new equipment. They will go onto a round-the-clock

schedule. But another specialization is also required—as to the types of items. Thus, a large production facility for renovating wheel pairs is being created in Syr-Darya.

Particular attention is being paid to the refrigerator sections—those which haul a significant portion of items which are characteristic of Central Asia—fruits, vegetables, and other "perishables." A specialized enterprise at the Syr-Darya Station will be concerned with this type of complex rolling stock. And here again cooperation with our German partners will be helpful and suitable. Already under construction are workshops which will provide three-fourths of the necessary spare parts.

The railroad people are rightfully and justifiably counting upon the support of Uzbekistan's other enterprises. Many of them have unused capacities at their disposal, and they are all motivated to see to it that transport operates precisely and efficiently.

**Transport feels the disruption of economic ties with particular acuteness. And railroad people are doing a great deal to make sure that the junctions between the various railroads do not separate or disconnect them, but rather open up a continuation of the track. This long-time tradition of mutual aid must be supplemented by a precise execution of agreements between the CIS countries. Thus, for example, under various pretexts and excuses, our Russian colleagues have been holding back and procrastinating on solving problems connected with distributing the currency earned for joint hauling operations. Agreements are also being violated with regard to reciprocal deliveries and services by industrial enterprises belonging to various railroads. Needless to say, this causes harm and damage to all concerned.**

But the main line, having placed a serious and substantial "bet" on its own forces, is continuing to develop its inter-regional and inter-state ties.

...And we can take a look into the main line's morrow already. A vivid stroke in its future has been drawn by a certain marvelous railroad car—a "guest" from Germany. It is ready to rush along at a great speed, while providing traveling comfort of the highest class—a veritable hotel on wheels!

This railroad car, after visiting Tashkent and other cities in Uzbekistan, has won our hearts.

**Thus, the third contract with our German partners is coming to fruition. And we value highly the changes in their ideas concerning cooperation with Uzbekistan's railroad people: They range from a foreign firm's concerns about its destitute "children" to delivering railroad cars suitable for the Third Millennium.**

**...The following condition has been stipulated in advance: The Superexpress will be decorated in the colors of our flag.**

## ESTONIA

**Vahi Government Economic Achievements Viewed**

93UN0323A Moscow DELOVOY MIR in Russian  
20 Oct 92 p 6

[Interview with Juhan Sillaste, economic adviser to Prime Minister Tiit Vahi; place and date not given: "What Kind of Behemoth Is Being Dragged Across the Swamp...."]

[Text] **The Tiit Vahi cabinet is in the process of resigning. The new government elected by the Estonian citizens, the State Assembly, is preparing to assign ministerial positions. My talk with Juhan Sillaste, adviser to the prime minister on economic problems, was held on the eve of the elections. In preparing to leave the palace in Toompea, Juhan Sillaste qualified this interview as a report on his advisory activities.**

[Sillaste] The main accomplishment, if we are to begin with accomplishments, of the Tiit Vahi cabinet was, naturally, the monetary reform and the introduction of a national currency. Despite the gloomy forecasts, the kroon became a real payment tender. We were able to erect a watershed separating the kroon from the inflationary ruble. Naturally, the kroon does not resolve all problems. We must proceed only from the following: Is the new approach better than the previous one, is it more effective, and has it ensured even a small step forward? From that viewpoint the kroon has justified its existence. Naturally, it is still facing severe trials. Both Western and local experts have predicted that the ruble will mount an aggression.

[DELOVOY MIR] What does this mean?

[Sillaste] It means heavy buying of kroons which are then traded by visiting "currency traders." However, this is normal. That is the way it should be if there is confidence in a currency, if that currency is valued.

[DELOVOY MIR] Do you consider the Estonian kroon convertible?

[Sillaste] We all come from the same kind of society. Although today we seem to be living under different circumstances, all of us are trying to earn the title of shock communist labor worker. Why? Why should the name of the kroon make any difference? The main thing is for it to perform the function of a convertible currency, which it is doing. And although many problems remain, the foreign banks are quietly beginning to note the existence of the Estonian kroon. The honorific title will follow.

[DELOVOY MIR] Does this mean that the kroon has adequate gold backing?

[Sillaste] This is not the main thing. A sign of convertibility of a currency is its free exchange with other currencies. Furthermore, the Western financial world values more a concept such as trust. No one is assessing

the gold reserves of the dollar. Therefore, I believe that trust in the Estonian kroon by Western financial circles means, to a certain extent, that it is convertible. Therefore, time will prove the progress made by the kroon.

[DELOVOY MIR] The Estonian kroon was artificially tied to the German mark. Alas, however, when it comes to any other indicator of the life of the German people, such as standard of well-being, wages, and so on, we are not "tied" to them. What do you think of that?

[Sillaste] Naturally, tying the kroon to the German mark could be qualified as artificial. This was precisely a decision which depended on the wish of the people. You must agree, however, that in this case this decision proved justified although in terms of the Estonian state this is a case of self-compelling. Furthermore, the conditions were quite harsh. Allow me a small aside. In a developed and almost ideal economy, the labor market, the currency and commodities move together. Our economy has not even reached the transitional stage. Along the way, we simply made a drastic change in directions. We are trying to slide from one system to another across a swamp and we are trying to drag through the swamp such a behemoth....

[DELOVOY MIR] By behemoth you clearly imply the Estonian state.

[Sillaste] Naturally. And since we sharply changed our course, we had to use all our reserves. It so happened that on the labor market prices, compared to what they should have been, remained extremely low. On the commodity market, the prices of the former socialist society were abandoned, but we did not come close to the prices charged on the world market. And since we are dealing with a sick economy, it is very difficult to redo proportions on the march, seeing to it that, at a given point, they could be balanced.

[DELOVOY MIR] What are the prospects for the development of the banking system in Estonia? Will the private banks ever get rid of government bank supervision? Or else are they still so heavily dependent as to be unable to reject parental support?

[Sillaste] Or else they are not allowed to do so.... Since our society is still in its transitional stage, we cannot seriously speak of independence of the bank system or of any other system, such as the judiciary. Many people are still viewing the banks as servants of the government, of enterprises, and so on. This is a dangerous delusion. My advice to the next government would be conversely to emphasize the role of the banks as a separate social structure. The banks must be given their chance. Naturally, there will be defeats. The restructuring of the banks is expected in the future. Clearly, the Bank of Estonia will abandon its commercial functions, regardless of how reluctant it is to do so. Under those circumstances, the banks must survive.

[DELOVOY MIR] Does Estonian law guarantee the protection of Western investments?

[Sillaste] Yes, on the level of global standards. Naturally, this does not include commercial risk.

[DELOVOY MIR] Why was the privatization process halted? Are we aiming at achieving a specific model? Or else has Estonia chosen a way regardless of foreign experience?

[Sillaste] Although slowly, the process of privatization is advancing. One hundred and two countries have their own privatization programs consistent with local circumstances, and so do we. The privatization concept includes aspects which are simply as unnoticed in the West as the air they breathe. To them that is a natural process. The main thing is to privatize not the production unit but the worker and the consumer. We too need this. In the past, all of us were feudal servants of the state with set wage standards and working time. This was a system of forced bargain sale of inexpensive manpower but without any labor market whatsoever. We were not free.

[DELOVOY MIR] But are we free now? I assure you that many people today would accept a regulated wage but guaranteed jobs.

[Sillaste] We must forget about this. Everyone, without exception, will have to prove that he is needed.

[DELOVOY MIR] In your view, how are kroon and ruble interrelated?

[Sillaste] Various. In this case politics plays an exaggerated role. Today's Russia is also subject to endless change. The influence of different political groups is felt and, correspondingly, the approach to economic problems changes. We cannot say that there is someone over there who is steadily following a strict policy aimed against the Estonian economy or its kroon. No. There have been all sorts of things: elements of blockade and blackmail with resources. In Russia many people rejected the kroon. Once again, this was the effect of the mentality of collectivism. If one is dying, let everyone else die. Matters reached so far that the volume of Estonian exports to Russia dropped even below those to Finland. I believe, however, that Estonia proved that if Russia is unwilling to trade with it, Estonia will nonetheless extricate itself.

[DELOVOY MIR] What about fuel?

[Sillaste] Fuel will be purchased from the West. Therefore, the policy of blockade forced little Estonia to mobilize, to find a solution.

[DELOVOY MIR] How can we put it... this is October. For nearly half a year there has been no hot water in residential districts and will they be heated?

[Sillaste] I am an optimist. I am confident that, unlike the politicians, economists cannot ignore reality for too long. In their view, facts decide everything. Russia will assess its losses and, naturally, trade relations will

resume. This is also confirmed by the free trade agreement which was signed in September.

[DELOVOY MIR] What is this unified Baltic market which is so extensively discussed? To what extent is its establishment economically feasible?

[Sillaste] Unfortunately, so far in our country form frequently prevails over substance. Is there something to trade within the Baltic market? A market means an exchange of goods. Are there any particular differences in the goods produced by the individual Baltic countries?

Due to climatic and geographic conditions, generally speaking, we are producing the same varieties of goods and could hardly supply each other with what we need. Therefore, I believe that regardless of the desire of politicians to unite within a single market, such a market will appear only when it becomes necessary. For the time being, these are merely statements.

[DELOVOY MIR] Frankly, this is an unusual viewpoint expressed by an Estonian economist. We thank you

**The First Dozen of Estonian Export Partners**

Country	June 1992		July 1992	
	Exports, Million Kroons	Percentage	Exports, Million Kroons	Percentage
Finland	119.2	34.2	182.1	30.5
Russia	45.8	13.1	117.1	19.6
Sweden	39.9	11.5	47.2	7.9
Ukraine	35.7	10.3	44.0	7.4
Germany	23.1	6.6	1.2	2.4
The Netherlands	17.2	4.9	33.0	5.5
United States	10.0	29.9	20.5	3.4
Poland	8.9	2.6	10.3	1.7
Denmark	6.0	1.7	—	—
Uzbekistan	5.4	1.6	13.0	2.2
Lithuania	4.9	1.4	—	—
Czechoslovakia	4.5	1.3	—	—
Kyrgyzia	—	—	26.9	4.5
Kazakhstan	—	—	12.0	2.0
Great Britain	—	—	6.3	1.1

#### **Estonia's Prime Minister Vahi Interviewed**

93UN0304D Tallinn ARIPA EV in Estonian 19 Sep 92  
pp 8-9

[Interview with Tiit Vahi, Prime Minister of the Republic of Estonia, by Igor Rotov: "Tiit Vahi. The Best New Is the Old"]

[Text] [Rõtov] Tiit Vahi's government has also been called the government of specialists that relies heavily on the so-called nomenclature

[Vahi] I do not condone drawing a line between specialists and politicians, nor do I condone the maligning attacks against the nomenclature now being spread. Nomenclature, for some reason, has come to denote persons who have advanced their economic standing.

Actually, nomenclature stands for a level of officials who adapt to seeking their own advantage under any system, and there is no reason to assume that today's nomenclature would in any way fall short of the previous one.

**"I have not forced my way into politics and cannot promise that I will stay there in the future."** [Photo not reproduced]

**"I gave up running for the State Assembly, because I could foresee a struggle without compromise, where brothers don't know each other and, in order to get what you want, you have to clobber someone."**

**If the government had plunged itself into such a political struggle, our daily work would have been disrupted, for sure."** [Photo not reproduced].

**"I am an engineer and a construction specialist by profession. I entered politics five years ago and realized that politics can make use of both engineering and construction skills. First, you have to have a goal, next you decide on the principles, and then you create a mechanism to carry it all out."** [Photo not reproduced].

[Rõtov] Looking back, how to you assess the work done by the government?

[Vahi] The government started its work last winter. The situation was difficult. Transition to world prices caused a shock. The price of fuel went up almost 50 times within one month. At the same time, existing economic connections disappeared, and the whole former system ceased to exist.

It would not be correct to state that our difficulties were caused by the limited reach of our politicians. The real reason still was the virtual collapse of the Soviet economic system.

The brunt of it was borne by the producers, who found themselves in a situation where there was no abstract plan regulating their operations.

In the early days of our government, we managed to cope with the fuel problem, although I would not want to overestimate it. We would have survived the winter somehow, as we will survive the next one. Even though there has been a lot of talk about it, I consider it of secondary importance.

Our first objective would still be seeing our economy as a whole, and getting a start on its systemic re-arrangement.

[Rõtov] But the government is still being accused of not having a handle on many of its daily problems?

[Vahi] This year, several dates have been forecast for the collapse of our economy. First, the word was that we will not survive the winter—we did. Then, we were told that we cannot handle spring planting—that, too, has been done.

Now, the complaint is that no preparations have been made for the winter, and we are not going to survive it. Oh yes, we will. I am convinced that no one is going to starve or to freeze. At the same time, I cannot promise an easy life to anyone, something our government has never done, anyway.

[Rõtov] You obviously consider monetary reform to be the biggest accomplishment of the government.

[Vahi] The transition to market economy was still the most important goal of our government. Carrying out monetary reform was a way of taking care of the preliminaries.

The results are there to see: Interest on credit has gone down, hard currency reserves are growing, there is no shortage of cash, and the kroon has been listed in both Finland and Sweden. These are facts that none of our critics can ignore.

[Rõtov] Is there also something that you failed to foresee?

[Vahi] We had not expected a massive exchange of hard currency into kroons, which resulted in a so-called black market for money back in July.

Secondly, we could not stop the increase in prices. This is the most painful issue right now, and we are trying to correct it. I believe that, by the fourth quarter, we can reduce the rate of inflation to about 2 to 3 percent a month. This will finally determine the quality of the monetary reform. My regret is that this policy will no longer be implemented by the present government.

[Rõtov] What caused the price increase to continue?

[Vahi] First, before the monetary reform, there were not enough rubles, and we were not fast enough in carrying out the appropriate changes for trade in the ruble zone.

Secondly, there was a backlog of accrued wages and support payments that were disbursed after the monetary reform. This caused an increase in the money supply, which resulted in a larger-than-expected growth in the inflation rate.

Thirdly, prices also went up because price differences between goods at the hard currency stores and those at the regular stores levelled off.

I want to emphasize, once again, that curbing price increases by the end of the year is what gives the whole monetary reform its full value. If this is not accomplished, the whole carefully laid plan will not be realized.



[Rõtov] Were the principles for maintaining a strong kroon imposed on the government by the International Monetary Fund?

[Vähi] The experts at the International Monetary Fund taught us a lot. They can see economic relationships and dependencies differently than we do, and their help was truly valuable.

But IMF did not pass a single resolution for us, this we had to do ourselves. We had disputes on many of the issues, and we proved our positions to be correct.

[Rõtov] Wouldn't you say that, compared to the monetary reform, the ownership reform seems to have snagged?

[Vähi] We did not want to jump into the ownership reform. We thought it was more important to set up the rules and principles first, and then take some specific action. By now, most of the resolutions needed to get started have been passed.

I am especially pleased that the issue of privatizing apartments, that affects so many people, has finally been resolved.

With the creation of Eesti Erastamisettevõte [The Estonian Privatization Enterprise] we have created an organization that will carry out the privatization policy of the government.

[Rõtov] Does the current election campaign interfere with the operations of the government?

[Vähi] It certainly does, because where there is a lot of talk, there is usually very little action. Also, many employees of government offices are running on different tickets and are active politically. This causes time loss, and also clashes of opposing opinions.

At the same time, the government itself is neutral politically and those running for office have not done anything that would violate professional ethics.

[Rõtov] You personally have stayed out of all party politics?

[Vähi] The verbal populist politics of today do not sit well with me. Maybe some time in the future, once the populist wave has run its course, I may consider re-entering politics.

[Rõtov] Did you ever consider the possibility of running for the State Assembly?

[Vähi] Running for the State Assembly was also discussed at a session of the government, and most of the ministers would have been willing to run with me for a separate faction. When I announced that I withdraw from the race, most of the ministers followed suit. We found that in complicated times one cannot stop to look at oneself in the mirror and worry about one's looks. Instead, one has to adjust to the needs.

[Rõtov] The new State Assembly will soon be forming a new government. What, in your opinion, would be the best kind of government?

[Vähi] The best new government would be the government we have now.

#### **Industrial-Construction Bank Chairman on Monetary-Credit Policy**

93UN0322A Moscow DELOVOY MIR in Russian  
20 Oct 92 p 6

[Article by Aleksandr Gellart, chairman of the board of the Estonian Industrial-Construction Bank: "Where Are These 'Surplus' Funds?"]

[Text] In its aspiration to secure the stability of the Estonian kroon, the Bank of Estonia is pursuing a very strict monetary-credit policy, refusing to grant additional loans to commercial banks. Furthermore, there is talk of the need to call in already issued loans in order to withdraw from circulation money which the central bank qualifies as "surplus."

No one is arguing against the fact that the Estonian currency must be stable and inflationary processes be as painless as possible. However, are all steps taken in this direction the right ones?

This kind of monetary-credit policy would be justified and legitimate had it proceeded from an objective evaluation of the existing economic situation.

But is it truly the case that inflation has inspired increased demand which has appeared as a result of a surplus mass of money in circulation? Does our central bank have the proper estimates and facts or knowledge of existing processes with which to confirm that there is "surplus money" in circulation?

I believe that no arguments supporting this situation exist. Conversely, reality proves the opposite. Most of our population is unable promptly to make its house rental payments or payments for communal services and electric power. Pensioners are unable to make ends meet. State enterprises and organizations which, for the time being, account for the bulk of the economy, have no cash reserves; their bank accounts are empty and their reciprocal indebtedness keeps rising. Many commercial banks are in the same situation. Their correspondent accounts in the central bank are empty (some of them even have a negative balance) and they are unable to ensure prompt payments when so instructed by their customers. The population has virtually exhausted its savings as a result of the depreciation of the currency, and so on.

Could the management of the Bank of Estonia perhaps explain to us where it sees the surplus money? How is excessive purchasing power manifested? According to official statistics, the consumption of food and durable goods in our country has declined sharply. Actually, rather than a surplus monetary mass, we can note in the

Republic a tremendous shortage compared to the actual volume of production and marketing of goods and services. As a result, in reciprocal payments among enterprises, cash has stopped fulfilling its function as an exchange instrument. It cannot fulfill its function, for the amount of money is inconsistent with the nominal value of the national product divided by the speed of monetary turnover.

Therefore, what is the reason for the price increases which are taking place in our country? It is obvious to many, and we cannot understand why it cannot be seen and taken into consideration by the Bank of Estonia council.

An inflationary process inspired by a drastic disruption in offer is taking place in the Republic, i.e., there is an increase in the prices of energy carriers and all types of raw materials which are imported, in addition to several other reasons.

Something similar but on an immeasurably lower scale took place in the Western economy in the 1970s, during the period of the petroleum crisis, when OPEC restricted oil deliveries, as a result of which within a period of five years oil prices increased by approximately a factor of six and, in the five years which followed, tripled again. All in all, in 10 years, oil prices rose by approximately a factor of 20. In our country, the prices of petroleum products, timber, metal, and other types of raw materials have increased by approximately a factor of 100 in just about six months. In such cases inflation is inevitable and has little in common with any surplus mass of money in circulation. In similar cases the central emission banks lower interest rates on their loans and release additional cash. Unless they do so, a corresponding drop in output becomes inevitable. However, can we endlessly follow the path of lowering the volume of output, bearing in mind that its level is only slightly more than one-half that of 1989?

How does the Bank of Estonia intend to contain or even stop the inflationary process if the prices of energy and raw material resources will continue to increase until they reach the level of prices charged on the world market? The prices of petroleum products which so far we have been purchasing for Russian rubles are more than one-half below world prices (based on the rate of exchange of the ruble to the dollar). Obviously, however, this situation will not continue indefinitely.

All of this leads to the conclusion that the steps suggested by the Bank of Estonia are inconsistent with the existing economic situation and would lead to the total strangulation of the economy and, as a result, to a state budget deficit. It would be more accurate to say that the suggested measures are the precise opposite of those which should be taken in such circumstances.

A policy of financial strangulation of the economy is being pursued also by the Ministry of Finance which demands of the enterprises to pay their taxes as they ship the goods out and not after they have sold them, thus

cutting off the very branch on which the state budget is sitting. On the microeconomic level, let us try to understand the financial situation in which our state and cooperative enterprises and organizations have found themselves as a result of such a high rate of price increases. They have virtually lost their own as well as their borrowed working capital. Due to price increases, the available funds are dozens of times fewer than the amounts needed for the development of normal production and commodity reserves.

Is the state able to provide to the enterprises additional working capital from the budget? One can confidently say that it is not. Should we declare all state enterprises bankrupt and privatize them? Would there be buyers and would they have the necessary financial possibilities to buy? Doubtful. For, as we already said, the population has virtually exhausted its savings and if capital assets are sold with time payments major investments will be required to pay the debts of the enterprises and to develop the necessary working capital, not to mention investments needed for updating equipment which has become both physically and morally obsolete, or undertaking the respecialization of production facilities.

In any case, a large credit emission by the Bank of Estonia is urgently needed, for after having issued national currency, the bank has also become the emission bank.

No one is saying that loans should be indiscriminately made to all state enterprises. Above all, such loans must be concentrated on the development of working capital for promising enterprises which would be able to repay the loans in three or four years or, perhaps, even earlier, with some of the profits used at increasing their own working capital. Only then could one consider the possibility of granting various enterprises loans for programs to improve the production process, from sources provided to us by foreign and international banks.

It is obvious that as a result of the crisis in the system of payments among all former members of the USSR the rate of production decline will increase even further. The possibility exists for starting to settle accounts with Ukraine. Yet, to this day, no agreement has been signed on reciprocal payments among the governments and central banks of the other remaining countries, including Latvia and Lithuania. Nor is there any information on prospects for establishing such relations in the future. This could lead to the total collapse of traditional economic relations with these countries.

Naturally, our partners as well could be accused of lack of activity in establishing payment relations with Estonia. It is obvious, however, that such persistent initiative and activeness should, above all, originate with us, for it is we who introduced a national currency and not they, and the results of the breakdown of relations affect their economies less than they affect ours.

**Text of Decree on Foreign Loans**

93UN0304B Tallinn ARIPAEV in Estonian 15 Sep 92  
p 7

[Text of decree signed by Tiit Vahi and Enn Bekker: "On Foreign Loans and Loan Guarantees of the Government of the Republic"]

[Text] Government decree No. 234 of the Republic of Estonia, August 6, 1992, Tallinn, Toompea

For the purpose of taking, using, controlling, calculating and servicing foreign loans made by the Government of the Republic, as well as granting loan guarantees and arranging for appropriate calculations, the government decrees:

1. To let it be known that, in keeping with the constitution, decisions on foreign loans are made by the State Assembly, at the suggestion of the Government of the Republic.
2. To establish that implementation of decisions made regarding foreign loans for the Government of the Republic and applications for obtaining government guarantees for foreign loans will be handled, on behalf of the government, by the ministry of finance.
3. The decisions to obtain a foreign loan for the Government of the Republic will be made by the government, at the suggestion of the ministry of finance. A foreign loan taken out by the Government of the Republic will be registered at the Bank of Estonia.
4. The formulation of foreign loan guarantees granted by the Government of the Republic will be based on a government decision, made in accordance with a proposal submitted by the ministry of finance, and coordinated with the ministry for the appropriate branch of the economy. Information about the use of foreign loans guaranteed by the Government of the Republic will be published in the section for specific objects, unless such use is already reflected in the state budget.
5. The ministry of finance is authorized to formulate individual loans for the Government of the Republic, and government guarantees granted for foreign loans, in coordination with the ministry of economic affairs, and the ministry of the appropriate economic branch, provided the total amount of such a loan or guarantee does not exceed 1 million U.S. dollars or its equivalent in some other convertible currency, according to calculations based on the Bank of Estonia exchange rate.
6. The register for foreign loans of the Government of the Republic, and foreign loan guarantees granted by the government is being kept by the ministry of finance.
7. To have ministries, state agencies, inspections and enterprises, business offices and organizations, submit to the ministry of finance, Bank of Estonia and the bureau of statistics, information about the foreign indebtedness share in the economy of the Republic of Estonia, in

accordance with statistical survey forms and instructions approved by the ministry of finance.

8. To have the ministry of finance approve the procedures for submitting, reviewing and formulating applications needed to secure a foreign loan guarantee from the Government of the Republic, and to submit proposals to the government regarding the possible volume of foreign loan guarantees to be granted by the Government of the Republic for the upcoming calendar years.

9. To have the ministry of finance establish the necessary economic priorities for foreign loan guarantees to be granted by the Government of the Republic, so as to protect the economic-political interests of the Republic of Estonia.

**TIIT VAHI** Chairman Government of the Republic of Estonia

**ENN BEKKER** Deputy Minister of State Republic of Estonia

**Text of Decree on Foreign Loan Procedures**

93UN0304C Tallinn ARIPAEV in Estonian 15 Sep 92  
p 7

[Text of decree signed by Rein Miller, minister of finance: "On Submitting, Reviewing and Formulating Applications Required for Securing Foreign Loan Guarantees From the Government of the Republic of Estonia"]

[Text] Decree No. 63 of the Finance Ministry of the Republic of Estonia, September 1, 1992.

In accordance with Item 8 of Decree No. 234 of the Government of the Republic, dated August 6, 1992 "On Foreign Loans and Loan Guarantees of the Government of the Republic" the finance ministry decrees:

1. A legal entity seeking the guarantee of the Government of the Republic for a foreign loan submits an application to the ministry of the appropriate economic branch, where the rationale for the application will be examined, an expert evaluation done on the project to be financed, and the significance of the project to Estonia's economy examined.
2. If the ministry of the economic branch involved finds that granting the guarantee of the Government of the Republic to a foreign loan needed to finance a specific project is justified, and no other ways are found to guarantee the loan, such ministry will turn to the ministry of economic affairs to coordinate a proposal to that effect.
3. Based on the guarantee application approved by the ministry of economic affairs, the ministry of the appropriate economic branch is to prepare the following documents: - a copy of the guarantee application; - the

project to be financed under the guarantee requested; - position taken on the project by ministry of the appropriate economic branch; - consent from the ministry of economic affairs;

and to turn them over to the ministry of finance which will then submit them, along with its own recommendation, to a session of the Government of the Republic.

4. Submitting guarantee applications formulated in accordance with Item 5 of Decree No. 234 of the Republic of Estonia, dated August 6, 1992, will proceed in the manner stipulated by Items 1 to 3 of this decree, except for the discussion of the application at the session of the government.

5. If the Government of the Republic has decided to grant a guarantee to the taker of a foreign loan, an agreement will be formulated between the finance ministry and the taker of the foreign loan, which will establish the terms for granting the guarantee and, in accordance with Paragraph 8 of the Foreign Currency Law of the Republic of Estonia, the agreement for taking a foreign loan will be registered at the Bank of Estonia. After the agreement is completed, the taker of the foreign loan will receive a set-term letter of guarantee from the Government of the Republic.

6. Legal entities given a foreign loan guarantee by the Government of the Republic will have to submit profit statements and financial reports on the development of the project being financed to the ministry of the appropriate economic branch and to the ministry of finance four times a year, by the 15th of the month following the end of each quarter, until the end of the guarantee period.

7. A listing of legal entities applying for foreign loan guarantees from the Government of the Republic will be published monthly in the newspaper ARIPAEV.

Guarantees granted by the Government of the Republic will be published in the newspaper ARIPAEV within one week from the day such guarantee was granted.

**REIN MILLER Minister of Finance Republic of Estonia**

## LITHUANIA

### Abisala Assesses 100 Days As Prime Minister

93UN0328A Vilnius ATGIMIMAS in Lithuanian  
2 Nov 92 p 1

[Report by G.S. on the interview of Prime Minister Aleksandras Abisala by journalist R. Kubilius, broadcast by Lithuanian Television on 30 October: "100 Wearisome Days"]

[Text] When asked to review what the Government had accomplished in 100 days, Prime Minister A. Abisala—who has been in that post exactly this length of time—smiled and said that those had been very long days. In

addition, he indicated that this meeting with the viewing public could be his last, since a new Government will be formed after the second round of elections to the Seimas.

In assessing the work of the current Government, the Prime Minister indicated that the way in which work was done had changed. It was collegial now and all members of the cabinet felt responsibility for its decisions. The people of Lithuania decide whether the decisions are correct or not, although, as A. Abisala noted, the elections had shown that the Government's efforts were not held in high regard: the voters had cast their ballots for the left.

According to the Prime Minister, land reform was the most and simultaneously least successful accomplishment of the Government, which had attempted to improve and accelerate it, as well as to make it less painful. Another serious problem pertained to buying up production. Due to the poor economic situation, the people selling milk and meat had not received their compensation in a timely fashion. However, the Government had sought and found ways to solve this problem, and the solution would be implemented starting Monday. In two or three weeks, the farmers should have been paid all their money.

In the television interview, the Prime Minister next addressed privatization. In seeking to limit participation in this process by criminal groups, certain articles of the privatization law had been changed, as proposed by the Government. An entire program of measures to deal with the problem was being prepared and until it is ready, auctions are suspended.

With respect to energy, the Prime Minister noted that this problem was as painful as agriculture. The situation in this area is related to Lithuanian-Russian trading relations. The Government was doing its utmost to negotiate with Russia and much had already been accomplished: agreements had been signed on settling accounts and on trade in 1993, along with other documents.

All attempts to reach agreement with Russia regarding oil and natural gas purchases have remained unsuccessful. According to the Prime Minister, the most recent visit to Moscow by Deputy Prime Minister B. Lubys seems to have been quite unique: there was no one there to sign documents that had already been drafted. But relations with Russia show that the presence of signatures on documents does not necessarily mean that the signatures have validity. The latest decree by President B. Yeltsin, suspending the withdrawal of military forces from the Baltic countries, demonstrates this, according to the Prime Minister.

This is why opportunities are being sought to buy natural gas and oil in the West. Soon, there ought to be deliveries of oil by ship, and the first shipments of liquified natural gas are expected as well. This will ease life for inhabitants of small towns.



In the interview, Abisala next talked about the social assistance that would be provided to the people of Lithuania in response to increased prices for oil and natural gas, and also about the work of the Commission for Protection and Social Guardianship, which was established under the Government.

The interview also touched on the first round of elections to the Seimas. A. Abisala believes that the results were predictable. According to the Prime Minister, this was not voting for communism, but rather for an opposition that was not governing. The people believed that life would become easier. Actually, this cannot happen, because conditions are as they are, and Russia will not sell oil or natural gas for less than it is doing now.

With respect to his continued work in the Government, A. Abisala indicated that this could only occur if the LDDP does not have a majority in the Parliament. The television viewers waited impatiently for the final question, which dealt with Friday's meeting of the Litas Committee. Well, the new currency is not going to be introduced yet. The Prime Minister read the decree of the Litas Committee evaluating the first stage of the introduction of our own currency. The decree states that the litas will be introduced after all bilateral state-to-state accounts with former USSR republics have been settled, after price increases have been curbed, after inflation rates have been stabilized, and—while maintaining these rates within the limits foreseen by the memorandum on economic policy—after the international trade balance of payments has been regulated. The present coupons, our temporary currency, will be exchanged for the new litas only after these conditions have been met.

#### Netherlands Provides Funds for Lithuania

93UN0328B Vilnius ATGIMIMAS in Lithuanian  
2 Nov 92 p 2

[Unattributed report: "Assistance for Lithuania by the Government of the Netherlands"]

[Text] The Government of the Netherlands has allocated \$2 million to Lithuania, with the aid earmarked to finance several very important projects. The first of these is to help people requiring social assistance, the homeless, children, and invalids. Another portion of the funds will be available for developing Lithuania's maritime navigation according to the plan for the "ebphari" program. A sizable portion of the \$2 million is also allocated for a program to train those working in governmental structures.

Lithuania and a Netherlands firm have already begun to implement these projects, and young diplomats from Lithuania are currently receiving training at courses in the Hague.

During a visit to the Ministry of International Economic Relations on 30 October, Robert Bosch, First Secretary for Commerce and Trade at the Royal Netherlands

Embassy in Stockholm, announced this aid for Lithuania by the Netherlands Government.

## REGIONAL AFFAIRS

### Potential for Textile Exports to Nordics Viewed

93UN0244A Stockholm DAGENS NYHETER  
in Swedish 22 Oct 92 p B 1

[Article by Susanne Pagold: "Baltic States Launch Their Pure Wool"]

[Excerpts] Like Hong Kong, but closer to home and cheaper. This is how the textile industry of the Baltic nations is being described to Nordic shoppers at the Stockholm fashion center.

The International Wool Secretariat, IWS, is displaying the potential of the Estonian, Latvian, and Lithuanian nations at expositions and fashion shows. The goal is to link the Baltic textile industry with the Nordic, as well as to increase consumption of the wool supplied by the IWS's financial backers—the sheep farmers of Australia, South Africa, and New Zealand.

The IWS was into the market before the collapse of the Soviet Union and already has franchisers in the Baltic and the CIS [Commonwealth of Independent States]. The franchisers receive the use of the IWS logo "pure new wool" provided they fulfill certain quality requirements. In exchange, the IWS helps with marketing, information on trends, technical know-how, and will even deal with customer complaints.

### Shortage of Fabric

"The Baltic countries have an enormous potential for design, but they have not had much in the way of materials to work with," said Kerstin Boulogner, designer and project leader for a joint project between IWS, the Tallinn Fashion School, and Beckman's School. The Estonian fashion school lacks money and fabric. Even so, the mood is high, as are expectations. An exchange of students between the Swedish and Baltic design schools began last February.

"There are underground designers in Riga who have a pipeline direct to London and arrange fashion festivals in Riga every summer. There, fashion people from East and West meet, everyone comes and exhibits. It's a pure 'freak show'," said Boulogner.

Such extreme avant-gardism is not on view at the exposition in Stockholm. Alvo Nikkolo, Estonia's "Armani," as he is often called, has no distinct profile. His conservative suits and attire would barely attract attention in, say, Boras or Dusseldorf.

Janika Sootna, regarded as the best student at the Tallinn Fashion School, places her emphasis on long, narrow dresses with slits and shoulder straps and elegantly cut, three-quarter length coats with swing in the back and obvious inspiration from Paris.

"The Russians have no taste in clothes," she replied to my question as to whether there was nothing in the tradition of the former Soviet society worth developing. Four or five years ago, red stars were "in" in Tallinn's youth circles, but now it is Finnish, Scandinavian, and French sixties and seventies that are "hip." Her classmates read Vogue and Burda. [passage omitted]

#### **Not Low Price**

The question is also how long the Baltic ready-to-wear industries can sew so cheaply, sometimes cheaper than the Chinese.

"A couple of years," IWS's marketing director Yrjo Lindberg divulges. But, in the long run, they are not low-price countries. Therefore, it is important they work toward finding an identity of their own and a special niche. As for political developments, he foresees no real risk this season.

"We may hope that business will take precedence over nationalistic feelings," when and if those arise.

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